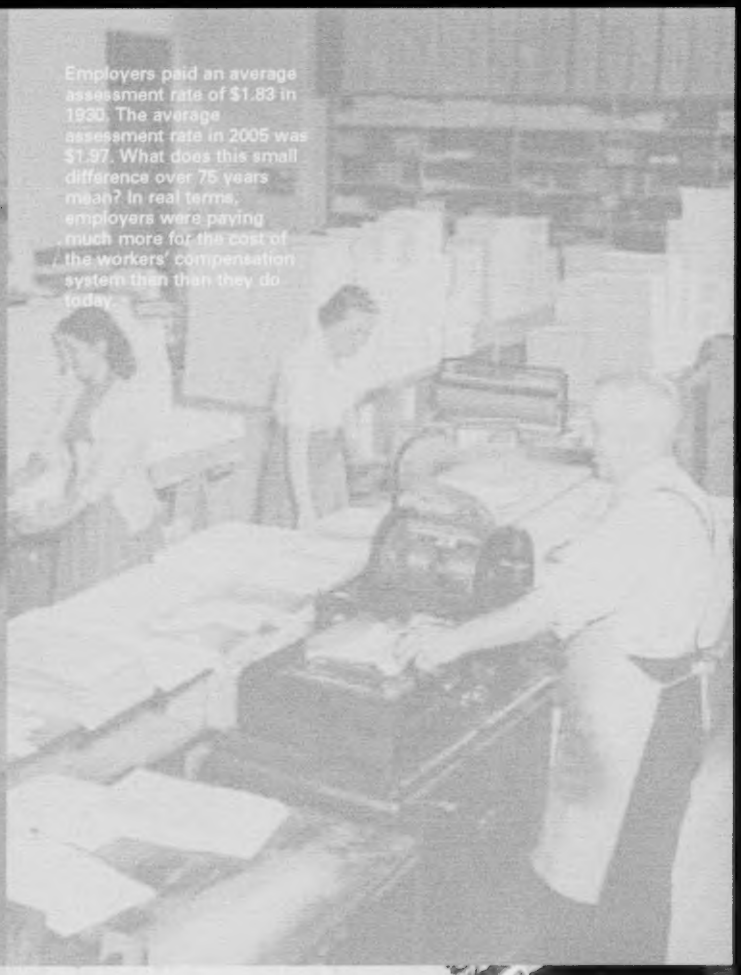
SASKATCHEWAN WORKERS' COMPENSATION BOARD

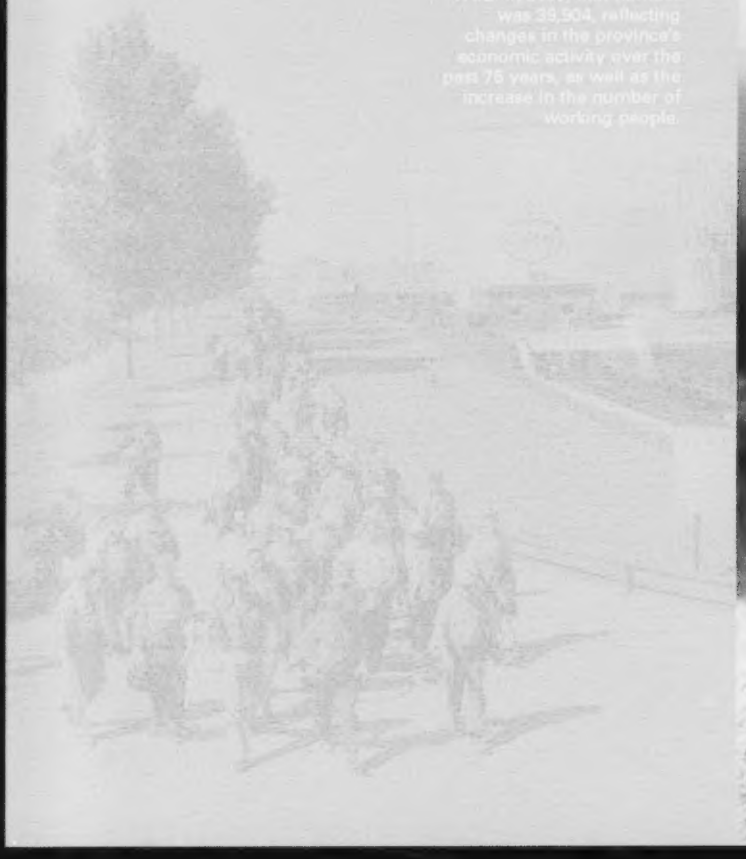
Report to Stakeholders 2005

75 YEARS OF SERVING SASKATCHEWAN WORKERS AND EMPLOYERS

Employers paid an average assessment rate of $1.83 in 1930. The average assessment rate in 2005 was $1.97. What does this small difference over 75 years mean? In real terms, employers were paying much more for the cost of the workers' compensation system then than they do today.



In 1930, there were 3,210 injury claims reported to the WCB. In 2005, that number was 39,504, reflecting changes in the province's economic activity over the past 75 years, as well as the increase in the number of working people.



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The WCB gratefully acknowledges the help of the following organizations in creating the WCB's 2005 annual and stakeholder reports.

Affinity Credit Union
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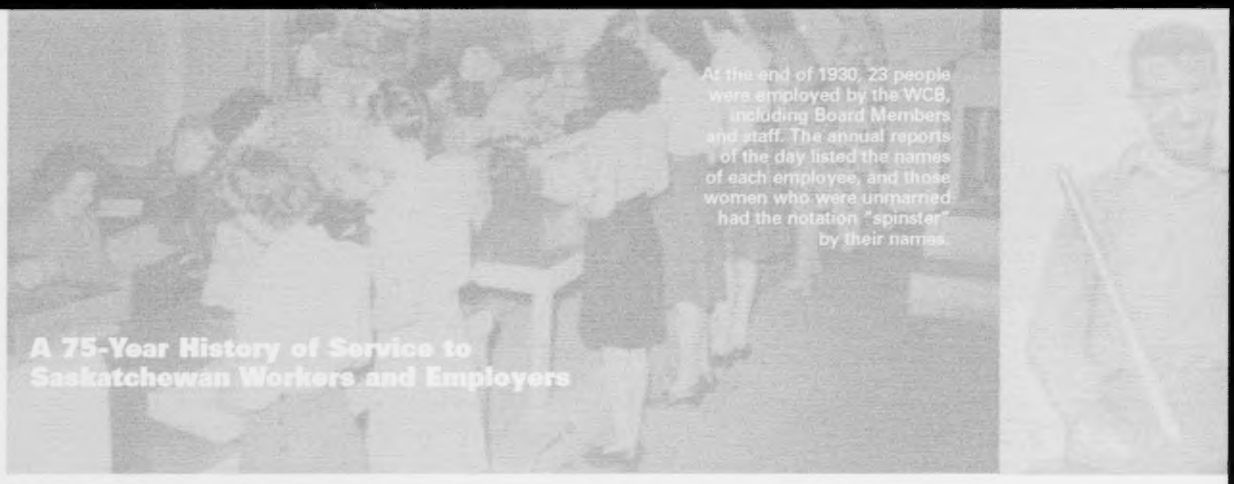


At the end of 1930, 23 people were employed by the WCB, including Board Members and staff. The annual reports of the day listed the names of each employee, and those women who were unmarried had the notation "spinster" by their names.

A 75-Year History of Service to Saskatchewan Workers and Employers

During 2005, the Saskatchewan WCB celebrated 75 years of service to Saskatchewan workers and employers. We have many reasons to celebrate! Our strong foundation and innovative and responsive services have stood the test of time. Today we're protecting injured workers and employers from the consequences of workplace injuries in an increasingly complex world. That's what makes our story so interesting – the evolution from a system that compelled its owners to fight for what the courts thought they deserved to a system bound by mutual relationships and equity.

The beginnings of today's modern workplace

The story of the Saskatchewan workers' compensation system can't start without a discussion on what the world of work was like at the end of the 19th century.

Before the Industrial Revolution, the English common law regulated the master/servant relationship. This contract between the worker and the employer hadn't changed since feudal times: the worker had to prove the employer personally responsible for his injuries to receive compensation.

Enter the Industrial Revolution and the new workplace of the 18th and 19th centuries – dingy, noisy, and dangerous places rife with potential for serious if not deadly injuries. At the same time, British courts introduced limits to a worker's ability to claim compensation. The result of an injury often meant destitution for the worker. With no social security net in place, they became a burden on their families and community charities. At the same time, when awards were made to workers, this often caused bankruptcy, so the employer couldn't pay the injured worker the court-awarded compensation anyway – nor could the employer provide restitution to his other workers whom he had to lay off!

There was a need to respond to the changing world of work and how the consequences of workplace injuries could play havoc with everyone involved. The response needed to be a system that mutually benefited both worker and employer, with guaranteed compensation for a worker's injuries and a pre-determined level of expense for the employer. A system like that would work to ensure everyone's economic security.

Early Canadian legislation and the Meredith Principles

At the end of the 19th century, just as in Britain, all Canadian provinces were struggling with the conditions caused by the Industrial Revolution. A number of laws were passed in an attempt to regulate the workplace and to compensate injured workers.

The first significant improvements to the system resulted from Ontario's Meredith Royal Commission. Both business and labour were dissatisfied with the existing system and saw several US states adopting collective liability systems. Sir William Meredith's report of 1914 recommended the introduction in Ontario of a revolutionary compensation system based on five principles. Employers were to be collectively liable for workers' compensation. In return, workers waived the right to sue. This system meant that compensation was not awarded by finding fault, but according to the extent of the injury. A board, independent of government, was to administer the legislation guiding the system.

Meredith's five principles improved the relationship between business and labour, and redistributed the burden of compensation away from society. His principles continue to serve as the cornerstone for Canada's workers' compensation system today. They are:

Compensation without fault. The worker waives the right to sue in return for guaranteed compensation. Fault became irrelevant, while providing compensation became the new focus.

Collective liability. All employers contribute to a common fund. Liability becomes a collective responsibility.

Security of payment. The injured worker receives compensation promptly and future benefits are assured. A schedule would show how much the worker receives according to the injury. Thus, the uncertainty of court cases was removed.

Exclusive jurisdiction of the Board. The Board decides and is the final authority for all claims for compensation. The Board is not bound by legal precedent. It has the power and authority to judge each case on its individual merits.

Administration and adjudication by an independent Board. The Board is to be financially independent of government or any special interest groups. That way, the Board can administer to the needs of its clients, business and labour, with efficiency and impartiality.

The basic tenets of Meredith's Report were enacted in Ontario legislation in 1915. Workers' compensation became one of the earliest elements of Canada's emerging social network.

Saskatchewan's early version of workers' compensation

Our province's first "workmen's compensation" legislation was passed in 1911. It contained a provision where the worker could sue the employer at common law and if the action was dismissed, could immediately and in the same action, ask the trial judge to assess the damages under the legislation and to obtain a judgment against the employer for an amount up to $2,500. This was a higher amount than workers in other provinces could receive.

Employers, however, were not happy with this new system, because they became liable for compensation under both provincial legislation and common law. The same arguments against the existing system also prevailed – inadequate compensation and the potential of bankruptcy if the employer lost the suit.

The 1928 Anderson Royal Commission

In an effort to implement a new system that was equitable to both business and labour, the provincial government launched a royal commission in March, 1928. The commission's role was to investigate workers' compensation in Saskatchewan, basing their activities on broad public consultation.

Seven questions were asked of the public through newspaper ads and distribution to various organizations around the province. A series of public meetings addressed:

- Whether the existing legislation provided adequate coverage for injured workers
- Whether the legislation was fair to employers
- Whether any amendments could be made to make the legislation fairer
- Whether compulsory employer's liability insurance should be adopted
- Whether collective liability or state insurance should be adopted
- The approximate aggregate payrolls of employers
- An equitable scale of compensation

Answers to these questions created a legal partnership between business and labour through a new act that was fair to both.

1930 Workmen's Compensation (Accident Fund) Act

The principles of *The Workmen's Compensation Act* were basically the same as the principles put forward in the 1914 Meredith Report. The people of Saskatchewan, while wholeheartedly adopting Sir William's collective liability system, imposed their own distinctive moral code on the basic idea. Fairness, consensus and efficiency were the principles held dear by Saskatchewan people. These principles were embodied in the 1930 Act.

Based on the Meredith Report and Ontario's 1915 legislation, Saskatchewan's Act of 1930 enshrined the five basic principles of the modern Canadian workers' compensation system.

As a result of the consultative process of the Anderson Royal Commission, the 1930 Act was not imposed on business and labour; it was designed with their input to meet their diverse needs.

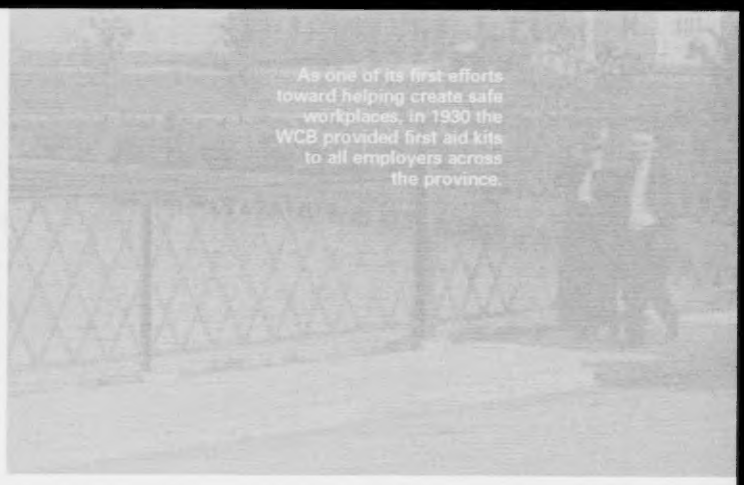
Important then, and still today, was the legislated obligation for the system to be fully funded. This meant that the Board needed to maintain sufficient funds to meet payments as they become payable so as not to unduly or unfairly burden employers with accrued costs in future years.

Notably, there was a new focus on prevention of injuries and rehabilitation embodied in the Act.

Establishment and stability: the Dirty 30s and the War Years

The Board, like the people of Saskatchewan, was shaped by the Depression; it went to great lengths to avoid debt and to maintain the support and cooperation of the people around it. The main focus of the early years was on preventing injuries and remaining fully funded.

During World War II, Saskatchewan quickly became home to 18 British Commonwealth Air Training Plan bases and schools. Increased recruiting and stepped-up industrial production ended the unemployment of the 1930s. Investment poured into Saskatchewan to revitalize farms to feed the armies in Europe and the economy boomed.



As one of its first efforts toward helping create safe workplaces, in 1930 the WCB provided first aid kits to all employers across the province.

For the Board, this activity translated into assessments on an increased employer payroll and a drastic and disturbing increase in the number of reported injuries. The Board's injury prevention activities had an increasing effect on reducing the injury rate, but it had to work hard to protect the principle of financial autonomy during this period of rapid growth and mechanization in Saskatchewan.

In 1945, the Legislature set a new mechanism in place. The Committee of Review would consider the activities of the Board every four years to ensure that the changing needs of workers and employers were being met. That way, consensus was maintained.

The Board ended the 1940s with a lower injury rate and a healthy surplus.

The 1950s – A prosperous decade

A significant post-war boom followed the hardships of the Depression and War Years. The provincial government concentrated on diversifying the economy. It tapped mineral resources and provided a service infrastructure: a web of grid roads, power lines, and telephone cables. This diversification led to prosperity which was used to increase benefits and services for the public.

Economic diversification led to a large increase in the Board's volume of business, and unfortunately, increased injuries. The Board used its record high surpluses to expand the type and amount of benefits available to injured workers. The Board raised assessment rates to cover expenses, but by the end of the decade, injuries were declining and assessment rates had returned to a more moderate level.

The Board and financial crisis in the 1960s and '70s

The emergence of a social security system in the '50s meant that people expected more from their public institutions. The Board was under pressure to increase the scope and amount of benefits it paid out to keep pace with the post-war phenomenon of inflation. While the rapid industrialization of Saskatchewan led to a huge increase in the type and amount of injury claims, the system of calculating and awarding compensation had become obsolete and unfair. It did not account for how any one injury would affect each individual's earning capacity differently, nor did it take into account how the introduction of income tax and the Canada Pension Plan had radically altered the difference between net and gross wages.

As the Board ran up annual deficits, assessment rates increased and the partnership between worker and employer was strained. Other influences, such as the private/public ownership of businesses debate; the introduction of Medicare; and the role of government in society led to the polarization of interest groups. Strikes and labour disputes occurred and the interests of business and labour were seen to be at odds.

In an effort to renew the contract between business and labour, the WCB looked once more to the fundamental ethics of full funding, fairness and consensus, and implemented two new Workers' Compensation Acts.

The Act of 1974 increased benefits, but did not include mechanisms for paying for these new benefits, which caused considerable anxiety about how the Board would continue to pay out benefits without accumulating unfunded liabilities.

The 1979 *Workers' Compensation Act* represented a new interpretation of the Board's founding principles of fairness, consensus and efficiency. The Act underlined the necessity of protecting the contract between worker and employer, which constitutes the basis of the collective liability compensation system. To this end, balance was seen as an essential – neither party should profit at the expense of the other. Financial security and autonomy must be achieved by consulting with members to develop a flexible compensation system dedicated to the benefit of the whole, yet tailored to meet the needs of the individual.

The 1979 amendments revealed a fundamental shift in thinking – replacing the system of calculating "loss of earning capacity" with a system of income maintenance. A new focus was placed on providing extensive vocational and medical rehabilitation. It was also acknowledged that the system should have the ability to constantly evolve so that it could adapt to meet the challenge of emerging social trends.

Recession in the 1980s

During the economic downturn of the 1980s, the new wage loss system of compensation allowed the Board to make the most of what revenue it did receive and to make sure it was distributed to those people who needed it most.

The success of the system of compensation depended on a number of factors on which the WCB focused: enhanced rehabilitation facilities to help workers return to work and to keep income maintenance payments low; good communication with clients to gain their confidence and support; and full funding.

This decade saw a decaying relationship between the WCB and its clients – both workers and employers

saw themselves as users rather than owners of the compensation system and felt no responsibility to keep the system healthy. This perception fueled employer calls for new and improved services, and had injured workers expecting more benefits, particularly tied to a new focus on medical rehabilitation. By the very nature of its function of returning injured people to work, the Board's fate was tied to those rising costs.

The 1990s and Board reform

In the early 1990s the problems of rising costs and client dissatisfaction continued to be serious.

In 1992, client concerns about the high costs of compensation and the low efficiency of administrative procedures prompted the Committee of Review to make a record number of recommendations. In 1993, for the first time in over 20 years, a completely new Board was appointed with a mandate for change within the context of the Board's five founding principles and a return to simplicity, fairness and efficiency.

Along with creation of the Client Services Division, which became the structure under which injured worker case management was delivered, the Board also concentrated on making external reforms. This move was to bring stakeholders together to work toward returning injured workers to meaningful employment and to improve workplace safety. To make this partnership a practical reality, the Task Force on Early Intervention was set up to develop a team approach to medical rehabilitation. Out of this task force came the Early Intervention Program (EIP), which saw teams of health care providers across the province offering medical services beyond that available through a primary care giver.

In the late 90s, WCB staff undertook a comprehensive strategic corporate planning exercise to develop a framework of action to guide the organization in its future activities. From that exercise, the group developed a fundamental priority to anchor the organization around the Meredith Principles.

A new millennium brings new challenges

The new millennium ushered in what contemporary observers have labeled "a perfect storm" for the Saskatchewan WCB. An escalating injury rate, at its highest in 20 years during 2002 at 4.95%, combined with the effects of September 11 on world-wide investment markets and a multi-million dollar actuarial adjustment directed by legislation. The result was a substantial operating shortfall and a determination to turn those results around.

Injury prevention became the rallying cry of the day. The WCB joined forces with Saskatchewan Labour to create the ***WorkSafe Saskatchewan*** partnership. Through extensive public information campaigns, initiatives directed at high surcharge employers and participation with other organizations in programs related to injuries off-the-job, like ***Safe Saskatchewan's*** emphasis on fall prevention, the province's injury rate has dropped from 4.95% in 2002 to 4.25% at the end of 2005.

Team-based case management also provided an important focus for remedying increasing claim durations and their accompanying costs. Seven teams of case management professionals, each with special expertise, serve clients throughout the province.

Claim cost management focused on incentives to employers to implement workplace safety programs and creating awareness of workplace injuries as a social issue. At the same time investment markets started to yield better income – although not at the levels seen during the late 90s. So from a shaky start to the 2000s, the WCB's 75th anniversary year ended with a surplus, and renewed confidence for the future.

A look at tomorrow

What will the next 75 years bring? As new technology changes the way we work, we will see different types of injuries requiring different compensation knowledge. The changing composition of the workforce will lead to programs and services targeted to aboriginal workers and to Baby Boomers retiring from one career and moving to their second. We will see even more profound effects on our system from a global economy. But always, the WCB will strive for reliable, quality service to Saskatchewan workers and employers today and for decades to come.

Message from the Chairman & Chief Executive Officer

John Solomon
Chairman

Peter Federko
Chief Executive Officer

We are pleased to introduce to you the Saskatchewan Workers' Compensation Board's Report to Stakeholders for 2005.

In this document, you will find reports on many of the WCB's more significant programs and processes, and how they shaped the organization over the previous year. The summaries of operational statistics define our successes in making the compensation system more responsive to our stakeholders.

Accountability and reporting have become important issues for many organizations, including the Saskatchewan WCB. In 2005, the Board directed WCB administration to review its existing risk management strategy. This new view of risk management within a compensation system context strengthens the organization's ability to predict and respond to changes within the business environment, while minimizing financial and operational risk to the enterprise. You will find an outline of the WCB's updated risk management strategy in these pages.

Our Corporate Balanced Scorecard continues to provide an important source for reporting on how the WCB is moving toward organizational targets in key result areas as defined by the corporate strategic plan. Specific objectives within the operational plan move us closer to the achievement of our vision of excelling in serving workers and employers.

On these pages, we have reproduced our 2004 – 2006 strategic plan, which was the document in force during the year under review. Most importantly, we have provided an inventory of the results arising from the implementation of the plan. These demonstrate the translation of strategy to operational plans to actions, which produce results.

Key operational achievements are also described in the following pages. The outcomes of these activities highlight the WCB's focus on customer service, financial integrity, staff competence and knowledge, effective business relationships, safety and prevention, and strategic risk management.

As you review the details of this report, we trust that one thing will become obvious – the focus of the WCB on serving the injured workers and employers of Saskatchewan has remained constant throughout our 75-year history.

John Solomon
Chairman

Peter Federko, C.A.
Chief Executive Officer

Year at a Glance

	2005	2004	2003	2002	2001
Number of workers covered[1]	327,064	325,565	309,362	306,518	308,719
Lost time claim rate (per 100 workers)[2]	4.25	4.40	4.81	4.95	4.79
Number of claims reported	39,904	37,715	38,919	39,821	38,240
Number of lost time claims accepted[2]	13,904	14,329	14,876	15,174	14,786
Permanent Functional Impairment awards	460	431	469	484	407
Fatal claims accepted	20	26	26	16	29
Number of appeals filed					
Appeals Department	1,149	1,077	1,081	979	826
Board Level	308	284	240	297	246
Return to work percentages[3]					
Secondary treatment centres	87%	85%	88%	91%	84%
Tertiary treatment centres	81%	82%	79%	84%	84%
Claim costs ($ millions)	205.9	210.9	199.2	[1]221.1	[1]239.3
Active employer accounts[4]	32,851	32,125	31,630	31,327	31,225
Premium revenue ($ millions)	212.0	221.0	177.6	[1]154.4	147.8
Average Board-approved premium rate[5]	1.97	2.05	1.83	1.67	1.62
Investment revenue ($ millions)	46.5	35.7	48.0	46.0	72.0
Benefits liabilities ($ millions)	871.3	836.5	801.8	778.5	700.5
Reserves and Injury Fund Excluding AMVA ($ millions)[6]	7.4	(9.5)	(51.4)	(43.5)	50.0
Reserves and Injury Fund Including AMVA ($ millions)[6]	135.2	52.7	N/A	N/A	N/A

[1] Full-time equivalent workers are based on Statistics Canada average wage and WCB payroll information as of December 31st. 2005 full-time equivalent workers based on estimate of both average wage and payroll information.

[2] Number of lost time claims and the lost time claim rate are as at December 31st.

[3] Return-to-work percentages are now calculated to represent actual returns to the job plus work readiness. Previous year figures have been changed to reflect new data calculations.

[4] Includes active employers as at December 31st.

[5] All years are Board-approved rates.

[6] Accumulated Market Value Adjustments (AMVA) is the fund created by Board policy starting in 2004 as a result of changes to accounting standards related to accounting for investments. Investments are recorded at fair market value and the AMVA represents unrealized gains (fair market value less carrying value) recorded in these investments.

[1] Certain comparative figures have been changed to conform to the current year's presentation.

Performance Measures: Comparisons to Other Jurisdictions

The Association of Workers' Compensation Boards of Canada (AWCBC) compiles data that compares performance among jurisdictions on key statistical measures. Information represents all data available to the end of the most current reporting period – in this case, 2004.

2004 shows the following results for Saskatchewan compared to other Canadian provinces.

1. The lowest average composite duration of claims, at 45.76 days. (The North West Territories was second lowest, at 52.10 days).
2. The second lowest administration cost per time loss claim, at $2,485 (Manitoba was lowest at $2,369).
3. At $0.31, the third lowest administration cost per $100 of assessable payroll (Alberta and New Brunswick were lower at $0.24 and $0.28 respectively).
4. The lowest average calendar days from registration of a claim to first payment, at 15.02 days (Nova Scotia was second at 15.99 days).
5. The second lowest average calendar days from injury to first payment, at 21.38 days. (Alberta was lowest, at 18.30 days).
6. The third best market return on investments, at 10.70% (only Manitoba and Quebec were higher, at 11.80% and 12.80%, respectively).
7. The second highest injury rate at 3.79 per 100 workers (Manitoba was highest at 4.83). The AWCBC's calculations of the average wage for full-time equivalents to arrive at the injury rate is different from that used by most WCBs, including Saskatchewan.

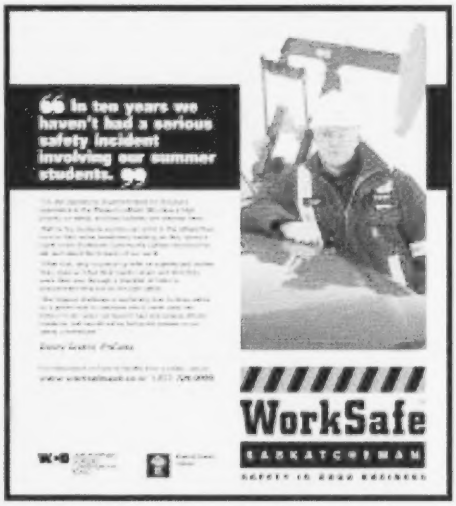
For more information, go to www.awcbc.org

Injury Prevention

Over the past few years, the WCB has focused significant efforts on assisting Saskatchewan employers in addressing injury prevention in their workplaces.

This emphasis has seen the province's injury rate fall from a 20-year high of 4.95% in 2002 to 4.25% in 2005 – more than 14% in just three years.

In 2005, the organization created the position of Executive Director of Prevention to underscore its commitment to workplace safety. The new Executive Director oversees the WCB's workplace injury prevention initiatives including ***WorkSafe Saskatchewan***, and the WCB's involvement in ***Safe Saskatchewan***, as well as delivery of employer-directed programs centred on return to work and injury prevention.



WorkSafe Saskatchewan

In 2002, the WCB and Saskatchewan Labour introduced a new and innovative program which has seen a high level of success since its inception.

WorkSafe Saskatchewan promotes on-the-job safety and injury prevention across the province – at the public level and to employers in their own workplaces. The program's mission is to create awareness of workplace injuries as an important social and economic issue, to promote partnerships focused on addressing the causes of workplace injuries, and to reduce the impact to both the employer and worker of occupational illness and injury.

The program works from three strategies:

- **Prevention Promotion** – an ongoing public information campaign using multiple media components builds awareness of injury-related issues and advances the need for prevention, under the ***WorkSafe Saskatchewan*** brand.
- **Education and Training** – facilitates occupational health and safety education and training.
- **Resource and Information Sharing** – initiatives are developed and coordinated to share information and to advance prevention activities.

The ***WorkSafe Saskatchewan*** program was expanded and enhanced in 2005 through a series of new initiatives.

Injury Prevention

2005 Initiatives

WorkSafe Saskatchewan Website Continues to Grow

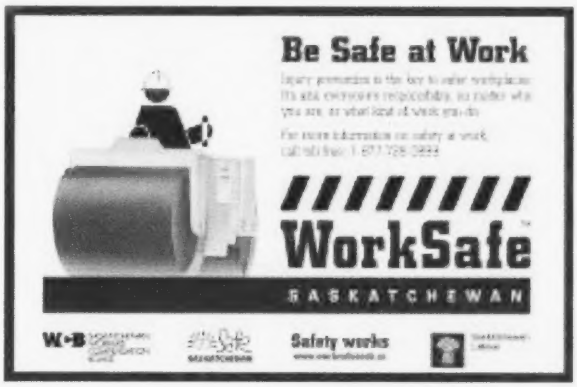
The ***WorkSafe Saskatchewan*** website (www.worksafesask.ca) hosts a wide range of information on occupational health and safety and workplace injury prevention. The website is intended to assist workers and employers with injury and occupational disease prevention. New information is continually being added to the site. Besides the WCB, contributors to the site include Saskatchewan Labour and the Canadian Centre for Occupational Health and Safety. In 2005, new topics included e-learning tools for health and safety orientation and for helping users learn how to prevent work-related back injuries.

Occupational Health and Safety Practitioner Program Expanded

In 2005, the Occupational Health and Safety Practitioner Program, which was initiated in 2004, was expanded.

The program is an applied certificate program targeted at Occupational Health and Safety (OH&S) managers and worker representatives in Saskatchewan. The program provides students with a thorough understanding of roles and responsibilities associated with OH&S initiatives including an understanding of safety program development, communication, adult teaching and learning principles, and hazard control.

The program is part of a partnership between ***WorkSafe Saskatchewan***, Saskatchewan Learning, Saskatchewan Labour, and a broad network of business, labour and post-secondary institutions.



In 2005, the program was expanded to 12 weeks to better address the breadth of course material.

The program was initially offered at SIAST's Kelsey campus in Saskatoon. Through SIAST's distance education initiative, all but two modules of the program were also made available in Regina during 2005. The program will be available in classrooms in a number of other regions in 2006.

The program has had a high job placement success rate, with all of the students in the 2004 and 2005 programs accepting jobs associated with OH&S within a few months after finishing the program.

In 1944, The Workman's Compensation Act was amended to increase compensation to children from $10 a month to $12 a month. Benefits to orphaned children were raised from $15 to $20.

Health Care Workplace Safety Program Developed

In 2005, representatives from ***WorkSafe Saskatchewan***, Saskatchewan Health, the Saskatchewan Association of Health Organizations (SAHO) and Saskatchewan's health regions began working on developing an injury prevention program specific to workers in the health care field.

The program will help prevent or reduce injuries in Saskatchewan's health sector and will be developed so that it can be delivered across all types of facilities and be relevant to all health care jobs. Implementation of the program will begin in 2006.

Top Ten Strategy Shows Progress

In 2004, the ***WorkSafe Saskatchewan*** committee identified ten Saskatchewan employers (excluding health care employers) reporting the most time loss claims over a three-year period. The WCB and Saskatchewan Labour began working with these employers to assist them in reducing injury rates, lessening the severity of injuries, and reducing the durations of time loss claims.

WorkSafe Saskatchewan assists these employers in developing and implementing safety and prevention programs. They help employers identify where they need to focus to address injury prevention and assist them in identifying ways they can help their injured workers return to work safely.

The program has had positive results. The majority of employers involved are very supportive of the need to address injury prevention. Since 2003, these ten employers have seen their injury rate drop from 8.8% to 6.7%, a decrease in their overall injury rate of nearly 24%.

In 2006, the ***WorkSafe Saskatchewan*** committee will identify another group of employers with high time loss claims. The committee will begin working with this group to find ways to reduce injuries in these workplaces.

Enhanced Experience Rating Program Created

In 2005, the WCB introduced enhancements to its Experience Rating Program (formerly the Merit-Surcharge Program). This program examines an employer's claims history over a three year period in relation to the claims history of others in that industry.

Employers with good claims history are given a discount on their premiums, while employers with poor claims history receive a surcharge.

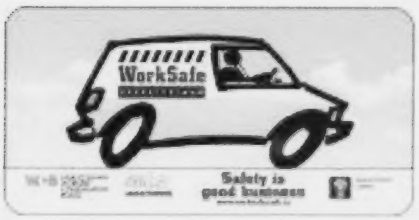
The intent of this program is to encourage employers to implement safety and prevention measures in their workplaces.

Safe Worker Initiative Developed

To recognize workers' commitment to injury prevention and reduction, in 2005 ***WorkSafe Saskatchewan*** partners, along with the Saskatchewan Federation of Labour and the Saskatchewan Safety Council developed and introduced a Safe Worker Award.

In December 2005, all 4,500 provincial Occupational Health and Safety committees were contacted and asked to nominate an individual for the award.

The award selection committee, made up of representatives from ***WorkSafe Saskatchewan,*** the Saskatchewan Federation of Labour and the Saskatchewan Safety Council will choose the winning worker based on the awards selection guidelines. Criteria include demonstrated innovation, dedication and ownership of safety in the worker's workplace, as well as a commitment to living the principles of a workplace safety culture.



The first winner will be announced in 2006, and plans are in place to expand the award in 2007.

Safety Audit Program Developed

In 2005, the WCB began work to develop an audit for employer safety programs. The program is based on similar programs currently operating in the construction industry.

In these programs employers can go through a process which audits their safety and prevention initiatives and programs. If they pass the audit they receive a safety certification.

Economic prosperity in the '50s led to increased industry and accompanying increases in workplace injuries and fatalities. In 1955, The Workmen's Compensation Act was completely rewritten, and among other improvements, contained increased disability benefits.

Awareness Campaign Strategy Continues Extraordinary Success

Public awareness of, and support for, injury prevention and safety in the workplace is a critical piece in the ***WorkSafe Saskatchewan*** initiative.

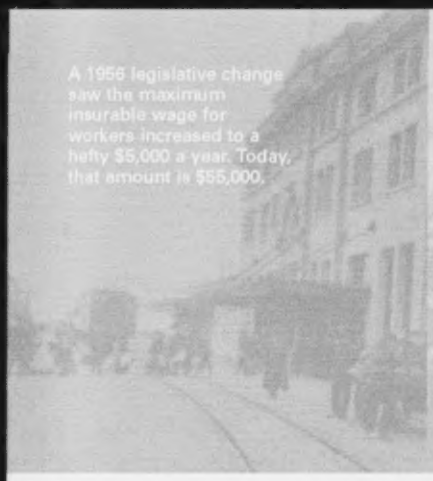
To build awareness of workplace health and safety issues, and to identify the shared workplace responsibility for injury prevention, in 2003 ***WorkSafe Saskatchewan*** launched a major public awareness campaign. Newspaper and radio advertising featured testimonials from workplace representatives – both employer and worker. The province-wide television and billboard segments introduced a generic work character to demonstrate safe work practices in lifting, wearing proper gear, protecting against falls and taking ergonomic breaks from tasks.

The success of the campaign is largely attributed to its adoption of social marketing principles: Show the problem. Define a solution. Put the audience in the picture.

The campaign's performance is measured twice each year, in the spring and fall. Respondents across the province provided these results:

- Awareness of the ***WorkSafe Saskatchewan*** brand reached a high of 66% by May 2005.
- Nearly two-thirds (65%) of respondents reported that the ***WorkSafe Saskatchewan*** advertisements had a positive impact on their thoughts about workplace safety and injury prevention.
- Nearly half of respondents (42%) reported changing the way they do things at work because of the ***WorkSafe Saskatchewan*** campaign.

The survey results also found public support for the campaign continued to be extremely high. Nearly 92% of respondents say the WCB should continue to invest in workplace safety and injury prevention campaigns.



A 1956 legislative change saw the maximum insurable wage for workers increased to a hefty $5,000 a year. Today, that amount is $55,000.

Injury Prevention

Safe Saskatchewan

Safe Saskatchewan is a unique program targeted at preventing unintentional injuries in all aspects of Saskatchewan life. One of the only programs of its kind in Canada, it is led by a coalition of business, community, non-profit, government and non-government organizations.

Safe Saskatchewan was initiated by the Saskatchewan Safety Council in 2004 and the WCB played a key role in its creation.

It builds on the work done by its partner organizations to address injuries related to various aspects of life. Its objective is to reduce the number of unintentional injuries in the province by building public awareness of the need for safety and injury prevention at work, at home, at play, on farms and ranches and on the road.

Saskatchewan has one of the highest unintentional injury rates in all of Canada. There are close to 160,000 reported injuries in the province every year. The annual cost of these injuries to the provincial economy is nearly $1 billion. The injury rate for off-the-job injuries is double that of workplace injuries. Research shows that non-work related injuries often have a greater impact on individuals and the workplace than do work-related injuries. Most all of these injuries are predictable and preventable.

In 2005, founding partners for ***Safe Saskatchewan*** grew to include eight organizations: the WCB and Saskatchewan Labour under the ***WorkSafe Saskatchewan*** umbrella, Mosaic Potash, SaskPower, SaskFerco, IPSCO, Luscar Ltd., Saskatchewan Health, and SGI. Each of these organizations has made an initial financial contribution and has committed to additional funding over the next three to five years to support ***Safe Saskatchewan's*** vision of an injury-free Saskatchewan where safe lifestyles influence how we live, work and play. Founding partner organizations have appointed individuals to be represented on the ***Safe Saskatchewan*** steering committee.

In addition to its founding partners, ***Safe Saskatchewan*** has almost two dozen endorsing partners who have formally embraced the ***Safe Saskatchewan*** strategy. Endorsing partners include: The Saskatchewan Medical Association, the Saskatchewan Federation of Labour, and the Regina and District Chamber of Commerce, among others.

2005 Initiatives

Safe Saskatchewan delivered nearly 70 safety and injury prevention awareness presentations to more than 2,000 people and a range of employers, industry groups and community groups around the province in 2005.

A nine-week public awareness media campaign was initiated in February 2005. The campaign provided broad-based information on safety and injury prevention and worked to build public awareness of the need for injury prevention in all aspects of life.

As well, ***Safe Saskatchewan*** developed partnerships with radio and print media to deliver injury prevention messages.

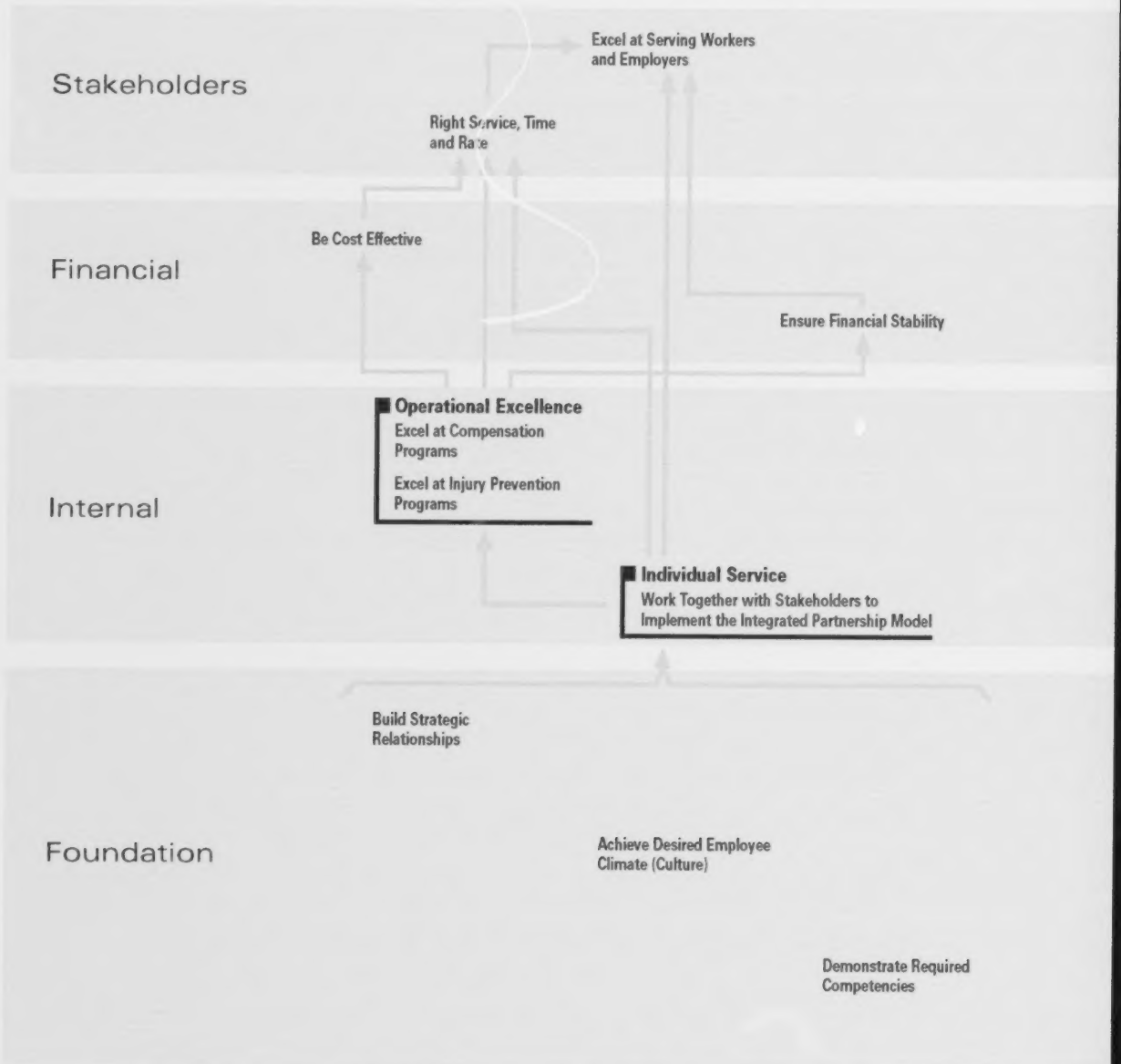
During the year, one of its major focuses was on fall prevention. A poster campaign themed around fall prevention among seniors was delivered in conjunction with Saskatchewan Health to all regional health authorities. It was also distributed by the Regina Red Cross throughout Regina to drugstores and care homes.

A core injury prevention team was established, and includes representatives from a number of injury prevention associations across the province. The team will advise ***Safe Saskatchewan*** on injury prevention issues emerging at the community level and will assist ***Safe Saskatchewan*** in coordinating injury prevention activities across the province.

Safe Saskatchewan is currently working with a number of its partners on the development of plans to deliver a series of farm safety seminars, and is working to raise awareness around the impacts on Saskatchewan seniors of slips and falls.

Balanced Scorecard

Working together, we will excel in the development and delivery of workers' compensation and injury prevention programs and services.



The chart illustrates how the strategic objectives chosen as indicators of organizational success build upon one another in the four strategic aspects: Foundation, Internal, Financial and Stakeholder. As they are fulfilled, these objectives help move us toward our vision of excelling in serving workers and employers.

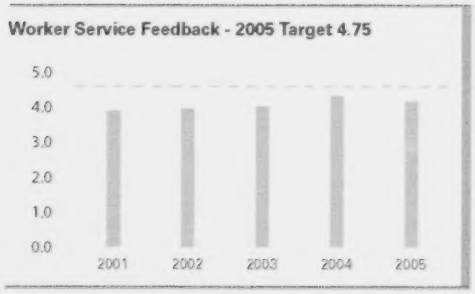
Indicator	Strategic Objective Definition	Importance to Organization
Quarterly Customer Service Satisfaction Survey	Provide support to injured workers, their families, and employers and return injured workers to wellness and suitable employment	To achieve the vision and mission
1. Duration of Time Loss Claims (number of days 12 month rolling) 2. Time to First Payment 3. Time to Process Appeals	All WCB (compensation and employer) programs, processes, and services are provided when they are needed most, in an efficient and effective manner	To maximize stakeholder relationships, confidence and service satisfaction
Administration Cost/Time Loss Claim	Administration expenses will be managed in the most efficient and effective manner	To ensure that we are effective in providing value to our stakeholders
Assets/(Liabilities + Reserves)	Assets are adequate to cover liabilities plus reserves according to the Act and the WCB's funding policy	To protect benefit entitlement and maintain competitive rates
1. Accuracy of Entitlement Decisions (%) 2. Program Cost/Time Loss Claim 3. Return to Work (%)	Develop and deliver innovative quality compensation programs in a timely, efficient and effective manner	To provide injured workers, their families, and employers with excellent service
Injury Rate (%)	In cooperation with stakeholders, develop and implement a province-wide safety and injury prevention strategy	To reduce the provincial injury rate
1. Percentage of Return to Work Plans in Place 2. Injury Rate of Targeted Employers	Ensure all stakeholders understand and accept their respective roles and responsibilities in establishing effective return to work and injury prevention programs	All partners must understand and fulfill their roles for the system to reach its full potential
1. Number of MOUs/Charters/ Partnership Agreements in Place	Build external relationships with partners who will help the WCB achieve its strategic objectives	Working cooperatively produces better results
Cultural Audit Results	Facilitate positive change so that the organization moves toward its ideal culture as defined by WCB employees	Our corporate values are the standards by which our actions and decisions are to be considered and judged by others
1. Percentage of Employees Demonstrating Required Competencies as determined by Performance Management Process 2. Percentage of Employees Recruited Using Competency-based Staffing Process	90% of employees demonstrate competence as defined by WCB's competency framework	Achievements include obtaining corporate and or personal goals and targets regardless of size. In order to do this we must recruit for and develop the appropriate competencies

Balanced Scorecard

Stakeholders

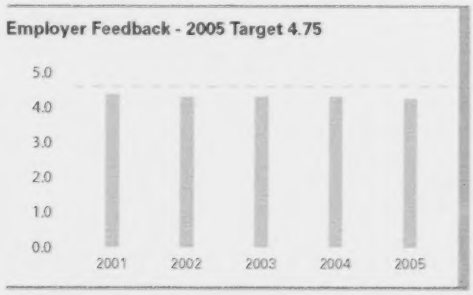
Worker Satisfaction

- Shows injured worker satisfaction with WCB service, using a quarterly random survey of claimants. A rating of 4 or above indicates that overall, workers are satisfied with the quality of service provided by the WCB.
- 2005's result is 4.16 out of 5.0.



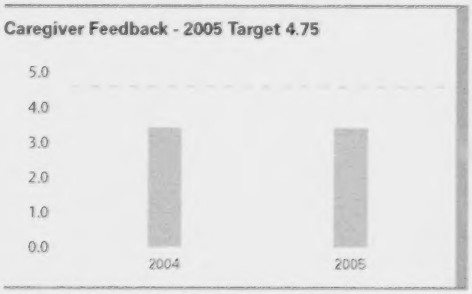
Employer Satisfaction

- Shows employer satisfaction with WCB service, using a quarterly random survey. A rating of 4 or above indicates that overall, employers are satisfied with the quality of service provided by the WCB.
- At the end of 2005, employer satisfaction was 4.23 out of 5.0.



Caregiver Satisfaction

- Shows the strength of the WCB's relationship with health care providers, using a twice-a-year survey.
- Results reflect a major change to the survey methodology, adding more questions containing more detail.
- Developing relationships with health care providers is now a key focus of operational plans.

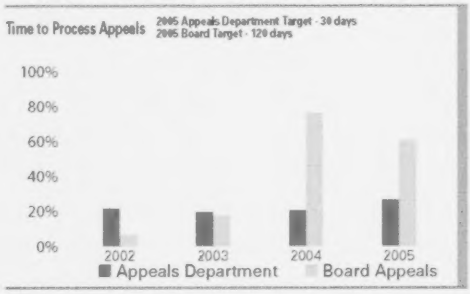


Income Replacement

- Shows the proportion of workers receiving their first wage loss cheque within 14 days of the date of injury.
- 2005's result of 71% represents a 6% increase in the number of workers eligible for wage loss benefits who received their first payment within 14 days of the date of their injury. By comparison, 80% of eligible workers received their first cheque within 14 days of the date the WCB was notified of the injury. This is evidence that enforcement of reporting legislation combined with key internal initiatives are having an impact.

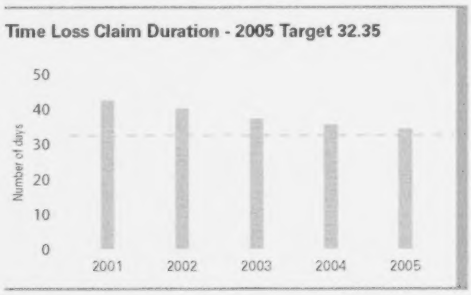
Appeals

- Depicts the length of time to process an appeal from the date it is received by the WCB until the date a decision is rendered.
- The percentage of appeals processed within 30 days at the Appeals department level rose slightly to 26%, demonstrating the focus on service which also saw the backlog reduced significantly. The percentage of Board-level appeals processed within the 120-day target fell to 60%, due to a significant increase in the number of appeals heard.



Claims

- Indicates the average number of days paid for time loss claims, represented by all time loss claims paid within a 12-month period.
- The duration of time loss claims fell from an average of 35.35 days in 2004 to 34.16 days in 2005.

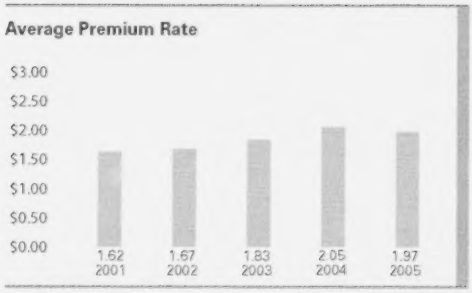


Balanced Scorecard

Financial

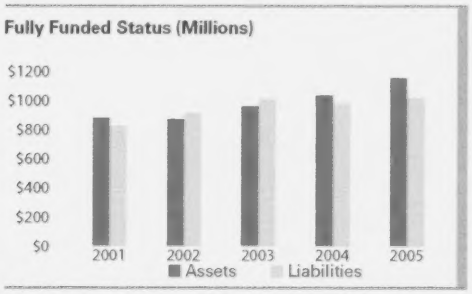
Stability of Rates

- Shows the change in employer rates over time.
- 2005's average Board-approved employer premium rate net of discounts was $1.97. This was 3.95% lower than 2004's rate, and helped Saskatchewan continue to maintain one of the lowest premium rates among provincial jurisdictions.



Fully Funded Status

- Illustrates the comparison between the WCB's assets and liabilities.
- For 2005, assets were $1,152.2 million and liabilities were $1,017.0 million.
- The WCB continues in its ability to fund 100% of its legislated requirements.
- With new accounting standards, investments are recorded at market for '04 and '05.



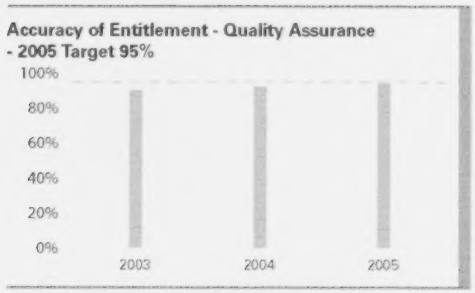
Administration Costs Per Time Loss Claim

- Demonstrates the average cost for administering a time loss claim, an important measure of administrative efficiency.
- In 2005, the administration cost per time loss claim was $2,583.
- Saskatchewan continues to report the second-lowest cost per time loss claim in Canada, according to AWCBC key statistical measures (most recent measures are for 2004).

Internal

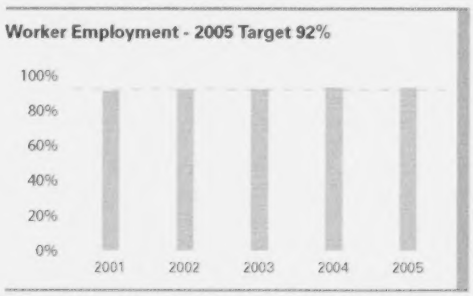
Accuracy of Entitlement Decisions

- Quality assurance checks are made on accuracy of entitlement decisions to ensure workers receive the right benefits in the right amounts. This measure was first introduced in 2003.
- At 95%, 2005's result was up from the 92% level reported for 2004.



Return to Work

- Depicts the proportion of injured workers who have returned to work after being declared employable.
- Based on all closed claims, 93% of injured workers continued to return to work in 2005. The remainder either moved to long-term compensation, or did not return to work for reasons not related to their claim. This result exceeds the 92% target.



Program Cost Per Time Loss Claim

- Measures the amount spent annually on benefit programs, as a comparison of program costs per time loss claim.
- In 2005, each time loss claim saw an average of $9,846 spent on income replacement, long term wage replacement, medical and rehabilitation costs.

Balanced Scorecard

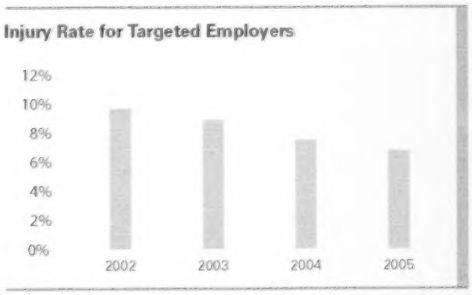
Internal (continued)

Injury Rate

- Measures the number of injuries per 100 workers.
- The provincial injury rate continues to drop. In 2005 it was 4.25%, a significant decline from the 25-year high of 4.95% in 2002. The rate was 4.81% in 2003, and 4.40% in 2004.

Injury Rate for Targeted Employers

- Measures the injury rate for employers reporting the highest number of injuries.
- This program was commenced as a ***WorkSafe Saskatchewan*** initiative to help targeted employers reduce their injury rates. The overall injury rate for all employers in the program dropped to 6.72% in 2005, a decrease of almost 24% in two years.



Foundation

Constructive Culture

- Demonstrates the rating staff gives each year to positive aspects of the WCB's workplace culture. 100 represents the median score for companies using this test instrument.
- The WCB measures its culture in two ways: behavioral norms assessed against a pre-established ideal based on similar organizations and a series of supplemental questions specific to the WCB.
- Although the results of the WCB supplemental questions are very positive, the results of the behaviour norms compared to the ideal were not as favourable as the previous three years. An assessment of the results will be conducted with individual business units.

Competency-based Recruitment

- Indicates the percentage of selection processes for permanent roles, using a competency-based interview model.
- This new measure for 2005 indicates 94% of recruitments were competency-based.

Demonstrated Competence

- Indicates the percentage of employees demonstrating required competencies for their jobs.
- This new measure for 2005 indicates 98% of staff are demonstrating the competencies necessary to do their jobs as determined by the performance management process.

Statistical Summary

Claims Reported[1]	
2001	38,240
2002	39,821
2003	38,919
2004	37,715
2005	39,904

Claims Accepted[2]	
2001	33,552
2002	35,128
2003	34,949
2004	32,681
2005	34,481

No Time Loss Claims[3]	
2001	18,737
2002	19,938
2003	20,047
2004	18,326
2005	20,557

Time Loss Claims[3]	
2001	14,786
2002	15,174
2003	14,876
2004	14,329
2005	13,904

Fatalities[3]	
2001	29
2002	16
2003	26
2004	26
2005	20

Average Days on Compensation[4]	
2001	27.6
2002	25.4
2003	25.0
2004	23.2
2005	21.6

Unaccepted Claims (%)[5]	Composition of Unaccepted Claims (% of Reported Claims)		
	Not work Related	Not Covered under Act	No Further Info
2001	9.8	5.9	0.7	3.2
2002	9.1	5.4	0.5	3.2
2003	8.5	5.3	0.6	2.6
2004	10.1	6.0	0.8	3.4
2005	10.9	6.4	0.8	3.7

[1] Reported Claims: New claims reported to the WCB in the current year, both accepted and unaccepted. Additional claims reported information can be found on the WCB's website, www.wcbsask.com

[2] Claims Accepted includes time loss, no time loss and fatality claims.

[3] Based on new claims reported to, and accepted by, the WCB in the year. Excludes claims not covered under the Act, not work related, still pending, and / or duplicated within the system.

[4] Average days on compensation based on only that year's new time loss claims registered.

[5] Unaccepted claims are reported as a percentage of the total entitlement decisions for claims reported for the year. Entitlement decisions status is as at Feb 1/06 for 2005 claims reported. Claims are not accepted when the industry is not covered by *The Workers' Compensation Act*, a claim is not work related, or no further information is received following the initial report of the injury. Totals may not equal due to rounding.

2005 top five industry codes with injuries*

Industry codes		
G2	Health Authorities, Hospitals, Care Homes	5,071
B1	Construction Trades - Residential, Commercial and Industrial	3,062
C3	Grocery, Department Stores, Hardware and Wholesale Chain Stores	2,750
S2	Hostels, Independent Services, Restaurants, Hotels, Motels	2,623
C6	Automotive, Implement Sales and Service and Automotive Service Shops	2,028

* All claims reported and accepted in 2005

2005 top five occupations with injuries*

Occupation	Number of Claims Reported
Truck Drivers	1,571
Nurses' Aides and Orderlies	1,384
Welders and Flame Cutters	1,277
Nurses, Graduate, Except Supervisors	927
Motor Vehicle Mechanics and Repairmen	873

* All claims reported and accepted in 2005

2005 top five areas of injury*

Body Part	Number of Claims Reported
Back	6,276
Fingers	5,258
Eyes	2,541
Shoulder	2,053
Hands	1,984

* All claims reported and accepted in 2005

Long term earnings replacement awards

New awards 2005	223
Number receiving at December 2005	2,174

Dependent spouses

New awards in 2005	27
New Act wage loss recipients (including 2005)	368
Old Act lifetime pension recipients	226

Number of Permanent Functional Impairment Awards	
2001	407
2002	484
2003	469
2004	431
2005	460

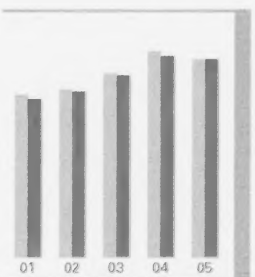
Assessment Ceiling	
2001	48,000
2002	48,000
2003	51,900
2004	53,000
2005	55,000

Number of Active Employer Accounts*	
2001	31,225
2002	31,327
2003	31,630
2004	32,125
2005	32,851

*Active employers excludes employers whose assessment accounts were finalized during the year.

Assessable Payroll (billions)*	
2001	9.37
2002	9.50
2003	10.00
2004	10.47
2005	11.03

*Payroll provisional as at December 31st.



	Average Board Approved Premium Rate*	Average Actual Premium Rate**
2001	1.62	1.57
2002	1.67	1.65
2003	1.83	1.81
2004	2.05	2.00
2005	1.97	1.97

* Average Board-approved premium rates are based on anticipated reported payroll at the beginning of the fiscal year.

** This rate consists of the base rate net of experience rating. 2005 rate was the Board-approved rate at time of publication.

Injury Rates and Claim Durations

Rate Code	Description	% of Workers Injured with Time Loss					Average Days				
		2005	2004	2003	2002	2001	2005	2004	2003	2002	2001
All Class**		4.25%	4.40%	4.81%	4.95%	4.79%	21.6	23.2	25.0	25.4	27.6
A11	Light Agricultural Operations	12.62%	8.98%	11.37%	12.44%	10.47%	19.5	28.0	26.0	22.1	26.6
A21	Farming & Ranching	5.02%	3.70%	4.59%	4.79%	6.54%	48.7	35.6	40.7	47.7	68.0
A31	Grain Elevators & Inland Terminals	0.95%	1.18%	1.05%	1.17%	1.41%	24.8	13.6	10.8	19.2	23.9
B11	Construction Trades	9.28%	8.67%	10.04%	8.72%	9.19%	19.8	22.2	19.3	21.2	21.9
B12	Residential Construction	9.84%	9.45%	10.95%	11.30%	9.81%	26.5	30.1	30.7	34.6	34.1
B13	Commercial, Industrial Construction	7.93%	9.09%	10.95%	10.92%	10.70%	25.3	29.4	35.4	30.3	31.9
C12	Light Commodity Marketing	1.52%	1.36%	1.53%	1.36%	1.35%	19.2	23.0	25.1	16.6	20.7
C32	Grocery, Department Stores, Hardware	3.11%	3.38%	3.22%	3.54%	4.02%	20.7	20.2	22.5	20.9	22.8
C33	Wholesale, Chain Stores	7.31%	6.16%	6.87%	7.44%	6.66%	17.3	18.1	22.1	23.2	25.9
C41	Co-operative Associations	4.71%	4.17%	4.45%	4.11%	4.10%	20.5	25.6	19.9	17.4	24.6
C51	Lumber Yard, Builders Supplies	5.62%	5.66%	6.83%	6.48%	6.24%	16.3	22.1	21.3	25.2	20.2
C61	Automotive, Implement Sales & Service	2.82%	2.47%	2.81%	3.21%	3.23%	19.9	27.3	24.3	22.6	19.9
C62	Automotive Service Shops, Towing	4.71%	4.39%	4.84%	4.80%	4.72%	18.8	20.5	22.4	26.9	25.8
D11	Open Seam Mining	0.63%	0.96%	1.30%	0.83%	0.91%	25.7	18.6	9.3	24.2	20.5
D12	Mining Coal	0.58%	0.99%	6.29%	5.22%	4.37%	16.1	59.2	12.4	26.9	17.0
D21	Conventional Potash Mining, Refining	1.32%	1.58%	1.91%	2.64%	2.20%	21.7	16.0	14.1	31.6	25.7
D32	Operation of Oilwells	0.89%	1.11%	1.12%	0.87%	1.04%	14.2	31.4	55.1	12.7	36.7
D41	Oilwell Servicing	5.53%	5.43%	6.50%	6.75%	7.91%	31.7	28.1	32.4	36.7	36.1
D51	Service Rigs, Water Well Drilling	3.65%	5.42%	6.89%	8.38%	8.42%	45.9	51.0	34.4	48.1	41.7
D52	Drilling, Seismic	2.56%	2.46%	4.68%	2.42%	5.80%	36.7	45.2	58.5	52.9	41.7
D61	Mining Exploration	5.99%	4.41%	4.94%	3.02%	8.53%	19.6	7.1	6.0	50.6	103.2
D62	Underground Mining and Maintenance	2.12%	4.07%	7.48%	4.42%	4.11%	28.6	28.3	47.2	33.9	31.1
D63	Diamond Drilling	4.29%	7.59%	11.66%	5.20%	3.62%	14.6	72.6	65.1	139.5	91.0
F11	Conventional Logging Operations	21.66%	8.54%	30.89%	16.89%	16.92%	39.0	43.8	41.1	55.5	40.7
F12	Mechanical Logging Operations	4.24%	3.18%	5.29%	3.66%	4.87%	34.8	32.8	26.8	44.2	59.1
F13	Log/Pulpwood Hauling	5.15%	5.50%	11.73%	7.74%	7.07%	52.6	45.5	37.8	37.3	62.3
F22	Planing, Sawing, Mills, Waferboard	4.56%	4.68%	4.54%	6.68%	10.79%	15.4	24.5	22.0	25.7	25.5
F31	Pulp and Paper Mills	0.85%	1.08%	1.26%	2.70%	2.50%	6.7	15.3	7.6	18.5	15.0
G11	Universities and Regional Colleges	1.47%	1.58%	1.64%	1.50%	1.65%	12.3	14.8	24.8	29.6	21.1
G12	School Divisions, Housing Authorities	3.99%	3.82%	3.97%	4.00%	3.33%	20.4	29.9	20.4	25.1	27.1
G22	Health Authorities, Hospitals, Care Homes	6.59%	6.83%	7.20%	6.85%	6.78%	25.9	27.1	29.1	31.2	35.3
G31	Cities, Town, Villages, RMs	5.64%	6.01%	6.04%	6.89%	6.32%	13.9	17.0	19.1	19.4	20.1
G51	Government of Saskatchewan & Departments	3.54%	3.73%	4.21%	4.11%	3.32%	24.2	23.2	24.3	26.1	27.5
M31	Manufacturing, Pipeline Operations	1.20%	1.38%	0.84%	1.34%	1.71%	11.5	16.1	15.8	9.9	10.9
M33	Refineries and Upgrader	1.14%	1.18%	1.41%	1.39%	1.10%	15.7	22.2	12.7	14.5	52.3
M41	Dairy Products, Soft Drinks	12.93%	14.05%	12.87%	13.70%	15.32%	16.9	19.3	19.3	19.4	17.2
M42	Bakeries, Food prep & packaging	3.21%	3.81%	3.52%	6.20%	7.12%	19.0	14.0	22.7	25.1	37.1
M62	Mills, Semi Medium Manufacturing	11.47%	11.37%	12.78%	12.98%	11.19%	14.3	14.3	17.3	18.0	21.1
M72	Processing Meat, Poultry and Fish	12.95%	20.05%	30.05%	30.21%	33.09%	12.6	14.7	16.7	21.1	26.3
M81	Metal Foundries & Mills	4.49%	3.93%	3.89%	4.77%	4.78%	10.2	24.7	23.1	20.7	28.5
M91	Agricultural Equipment	10.77%	12.75%	15.59%	18.32%	17.19%	10.1	10.9	14.3	16.5	15.5
M92	Machine Shops, Manufacturing	14.32%	12.80%	14.50%	16.38%	16.52%	16.3	15.6	16.6	16.1	18.2
M94	Iron and Steel Fabrication	16.99%	19.16%	21.47%	23.37%	18.90%	11.8	11.8	11.8	13.5	14.0
R11	Road Construction and Earthwork	5.67%	5.74%	5.96%	4.96%	5.45%	30.8	36.5	37.9	37.5	38.5
S11	Legal Offices, Financial, Drafting	0.39%	0.29%	0.30%	0.24%	0.31%	11.8	22.7	39.0	22.1	18.9
S12	Offices, Professionals	0.86%	0.78%	0.97%	0.73%	0.60%	17.2	23.7	23.3	27.9	35.7
S21	Hostels, Independent Services	2.18%	1.94%	1.74%	1.85%	1.73%	22.0	23.6	24.2	25.1	22.5
S22	Restaurants, Catering, Dry Cleaning	2.24%	2.33%	2.62%	3.00%	3.10%	17.8	16.8	18.9	19.3	20.4
S23	Hotels, Motels, Taxis	2.58%	3.15%	3.21%	2.96%	3.21%	24.1	28.4	31.3	25.6	32.9
S32	Service Clubs	3.58%	3.06%	3.06%	3.16%	2.93%	18.3	23.6	31.7	38.1	26.3
S33	Caretaking, Park Authorities	4.56%	6.17%	4.55%	4.08%	4.98%	23.7	26.0	35.5	28.5	42.0
S41	Engineering, Testing & Surveying	0.68%	0.76%	1.11%	0.87%	1.10%	27.3	27.4	14.5	23.0	23.3
T42	Transportation, Courier, Commercial Bus	8.53%	8.82%	9.74%	10.13%	10.09%	34.8	32.7	37.7	38.5	38.9
T51	Operation of Railways	1.74%	2.64%	3.19%	2.83%	2.64%	28.9	35.9	37.0	28.5	30.0
T61	Commercial Air Transportation	3.67%	7.38%	2.34%	3.30%	2.59%	15.7	13.7	19.1	33.4	26.2
U11	Telecommunications	1.46%	1.90%	2.52%	1.86%	1.16%	15.2	14.1	17.0	21.0	26.4
U31	Electric Systems	2.31%	2.82%	2.63%	3.19%	2.06%	18.4	25.5	22.7	33.6	28.5

% of workers injured with time loss equals time loss claims divided by # of workers covered.
Number of workers covered calculated by dividing assessable payroll by the Statistics Canada average weekly wage for each rate code.
** All Class Injury Rate includes Government of Canada (Deposit Account)

Risk Management

"Risk" is defined as "anything that prevents or impedes an organization from achieving its goals and objectives." Because the WCB operates in a unique business environment, it combines risks that have an impact on its legislated obligations to administer the province's workers' compensation system with risks that are more familiar to large enterprises of many other kinds; for example, the financial services and disability insurance industries.

Earlier risk management exercises were undertaken only in terms of traditional financial risks and controls, such as investments, credit, interest rates and currency values. But managing risks to an organization's sustainability has come to the forefront in the past several years with public demand for more accountability and transparency in corporate management determining a broader view of risk.

The WCB has incorporated reviews of some of its strategic risks during strategic planning exercises starting in 2002. The larger strategic environment was determined to hold strategic risks from the economy, injury rates, stakeholder and partner support, population demographics, customer expectations, technology and natural disasters. As well, an information technology disaster recovery plan was completed in 2002, and a corporate business continuity plan was developed in 2004.

Since that time, risk management has become a dedicated key result in the corporate strategic plan, with the following objective: "To establish an enterprise risk management process that mitigates risks that threaten the WCB's ability to successfully achieve its strategic goals and objectives."

Risk Management Identification Process

In 2005, the WCB undertook an extensive review of its risks, as identified by senior management. Each strategic objective was examined for any risk to its success. If a known risk could have an impact on strategic objectives or on the entire organization, it was categorized as a "strategic risk". Risks whose scope is not so great are "process risks".

Inherent risks are those which exist naturally, by virtue of the organization's business or environment. Residual risk is the risk that remains after controls have been applied to manage or reduce these risks. It is these residual risks to which an organization must turn its current attention and efforts.

The combination of the likelihood and impact of these risks was assessed and ranked according to the significance of the residual risks. It is these high-ranked residual risks which require immediate attention and to which further examination will be given during the 2006 strategic planning process. Properly applied, the risk management process assists in the allocation of time and resources.

A Risk Register was created to list the strategic and residual risks according to rank. Although social and economic change, natural disasters, pandemics and similar external threats were not identified while compiling current enterprise risks, WCB management does not discount their importance. They have been added to the Risk Register, but will not be of primary importance to the risk management process.

Monitoring risks will be ongoing, and the Register will be regularly updated as risks fall in importance because of business environment changes or because controls have been applied to them. Operational plans and business cases for process changes will require an accompanying inventory of relevant risks and how they will be managed. As well, annual budget activities will call for similar determination of risks, and hold the potential for successfully managing them, while at the same time identifying new risks to be added to the Risk Register.

Risk Management

Following are the top three residual risks for both the identified strategic and process risks.

Risk Register

Top Three Residual Strategic Risks on Risk Register

Description of Risk	Impacts	Existing Controls	Response
Internal control and monitoring systems (both manual and I/T) do not address strategic risks	No clear, single corporate-wide application of mechanisms for monitoring progress toward achievement of strategic objectives, for resource allocation for fulfillment of projects related to strategic objectives	• Investigation undertaken by several internal groups • Strategic planning process • Balanced Scorecard improvements • Internal Audit formal mandate statement communicated	• Clarify mandates • Coordinate recommendations
Province's workplace injury rate	Continued high injury rate has significant consequences for employer compensation costs, worker injury risk Non-work-related injuries impact productivity, health care and other economic costs	• WorkSafe Saskatchewan • Top 10 Employer List • OH&S relationship • Experience Rating Program • Claim acceptance policies • Prevention, Safety & Return to Work Department mandate • Case management processes • Safe Saskatchewan partnership	• Communicate prevention messages internally • Continue employer incentives, add new ones • Target specific injuries • Target specific industries • Use relationships to influence injury rate
Ability to maintain effective relationships with diverse stakeholder groups who often have competing goals	Lack of confidence in system of administration, inability to advance strategic objectives in timely, cost-effective manner	• Contracts managing stakeholder expectations • Customer surveys measuring service satisfaction • Case management process improvements	No requirement for additional controls at this time

Top Three Residual Process Risks on Risk Register

Description of Risk	Impacts	Existing Controls	Response
Adjudication processes across Case Management teams not consistent	Injured workers may not receive all compensation and benefits entitled to under legislation	• Documented case management policies and procedures • Staff input into job competencies • Quality control and quality assurance measures in place • On-line case management training manual • Return-to-work retraining available	Policies relating to legislative provisions for benefits and compensation updated as required
Overall staff competency not sufficient to ensure effective operation of performance measurement processes	Service and support to injured workers, their families and employers may not be adequate because of shortcomings in staff competency	• Documented performance management system • Personalized staff training inventory • Documented job competencies • Documented job descriptions	No requirement for additional controls at this time
Goals and objectives of WCB not aligned with health care system	Compensation costs higher because of longer claims durations Impact on worker's ability to return to the job	• Contracts with certain health care providers in place • Relationship strategy • Partner feedback surveys • Early Intervention Program Advisory Committee • Physicians on staff • Case management policies and procedures for medical aid • Quality control, quality assurance measures for health care service provision	No requirement for additional controls at this time

Appeals Report

The WCB's appeals process gives all clients dissatisfied with a WCB decision on a claim the ability to have that decision reviewed.

When a decision is made on a claim, claims entitlement specialists or case managers inform the client of the outcome of that decision. As well, they advise the client that he/she can have the decision reviewed through the WCB's appeal process.

Clients are also then provided with a fact sheet outlining the appeal process which includes an explanation of how to launch an appeal.

Over the past few years, the WCB has focused attention on making the appeals process more accessible and user friendly, so that clients are assured that their concerns are thoroughly and independently reviewed.

There are two levels of WCB appeals available to clients, with a third level to decide bona-fide medical questions only. The Appeals department provides the first level of appeal for injured workers, or for employers who feel a case deserves reconsideration. Appeals officers determine if claims have been administered within the legislative and policy authority that governs the WCB.

A written decision on the appeal is provided to the client after a complete review has been done on all of the file information relative to the appeal issue.

Clients not satisfied with the outcome of the first-level appeal can request to have the issue reviewed in the WCB's second-level appeal, at the Board level. A bona-fide medical question may be referred to a medical review panel of physicians.

Appeals Department

In 2005, the Appeals department again chalked up record numbers of incoming appeals (1,149) and appeal decisions (1,314).

Over the last two years, considerable time and effort has been devoted to both reducing client appeal wait times, and to increasing the productivity within the Appeals department. These efforts have been very successful.

In 2005, adjudication time and administration costs per appeal were reduced by approximately 25% over the previous five-year average. The number of decisions made on appeals increased by almost 50% over the same period.

This reduced the appeal backlog from 307 in January, 2005 to 120 in December, 2005.

By December 31, the time required to receive a decision on a first-level appeal was approximately 43 days compared to an average of 77 days for the entire year. At the end of December nearly 60% of clients received decisions within 30 days compared to the year's average of 26%. This is among the shortest cycle times for first-level appeals across Canada, and down from a Saskatchewan average of approximately 160 days at the beginning of 2004.

The 2006 and forward goal for the Appeals department is to continue to focus on timely decisions and improvements in productivity, while leveraging the appeal process to identify and communicate opportunities for organizational improvement.

APPEALS ACTIVITY

Appeals Department

	2005	2004	2003	2002	2001
Appeals Received	1149	1077	1081	979	826
Decisions					
Accepted	254	266	197	176	163
Denied	801	639	422	414	349
Returned for Development	259	231	221	206	243
Total	**1314**	**1136**	**840**	**796**	**755**
Appeals Withdrawn	22	42	44	35	22
Appeals Pending*	120	307	408	211	63
Average Number of Days for Decision	77	157	149	69	73
Average Number of Appeals Decided within 30 Days	26.3%	21.9%	18.8%	20.9%	20.1%
Appeal Meetings	75	98	86	53	47

*Prior year numbers adjusted to reflect refined data analysis

SOURCE OF APPEALS (Descending order by current-year volume)

Source	2005	2004	2003	2002	2001
Worker	820	717	659	613	523
Other Representatives	100	85	97	36	25
Worker's Advocate	95	114	120	107	106
Employer	65	75	116	147	80
Lawyer	35	32	27	27	35
Union Official	24	49	48	34	43
Family	10	5	14	15	14
Total	**1149**	**1077**	**1081**	**979**	**826**

NATURE OF APPEALS (Descending order by current-year volume)

Issue	2005	2004	2003	2002	2001
Initial Acceptance	359	290	269	292	280
Relationship	216	177	198	165	125
Recovery / Fitness	140	189	188	166	134
Expenses	77	29	31	20	13
Cost Relief	59	67	85	69	32
Estimated Earning Capacity	55	74	65	50	45
Suspension	46	43	36	26	23
PFI	44	42	43	33	36
Other	43	44	62	47	34
Wage Base	32	24	22	20	24
Recovery/Pre-existing condition	27	67	56	54	56
Retraining	23	23	11	22	12
Independence Allowance	22	8	14	14	9
Dependants	6	0	1	1	3
Total	**1149**	**1077**	**1081**	**979**	**826**

Board Appeals

For individuals not satisfied with the decision in the first level of appeal, the WCB provides a second level of appeal. By writing and outlining the grounds for their dispute, clients can have their case heard by the members of the WCB Board.

The decisions made by the Board are based on information in the claim file and on any additional information, which is provided in writing or at a hearing. In this process, the Board is not bound by existing policy in making its decisions; a decision not following corporate policy does not suggest a new policy has been created; Board decisions are not precedent-setting; and WCB staff are bound by the decisions of the Board.

In 2005, the number of Board appeals was up significantly from previous years. In this year, the Board received its second-highest number of appeals ever. This increase was partly due to the Appeals department's recent work on improving the rate at which appeals are heard, on its focus to address wait times, and on its determination to clear up the backlog.

The average wait time for a Board appeal had been approximately 90 days. That number increased somewhat in 2005 as a result of the increased number of appeals, and as a result of transition resulting from the retirement of a Board Member and coinciding appointment of a new Board Member that year.

The Board expects to reduce the average wait time again in 2006.

APPEALS ACTIVITY

Board Appeals

	2005	2004	2003	2002	2001
Appeals received	308	284	240	297	246
Decisions made:					
- Appeal successful (accepted)	108	115	124	108	85
- Original decision upheld (denied)	139	152	170	122	151
Total	**247**	**267**	**294**	**230**	**236**
Appeals withdrawn	14	19	11	11	12
Appeals pending	122	74	75	140	84
Average number of days for decision	116	94	172	163	142
Oral Hearings	155	118	166	123	84

SOURCE OF APPEALS (Descending order by current-year volume)

Source	2005	2004	2003	2002	2001
Worker's Advocate	120	102	77	85	95
Worker	89	99	82	120	78
Employer	47	32	28	39	15
Other representative	26	33	32	23	26
Lawyer	13	11	10	22	15
Union Official	9	5	5	7	15
Family	4	2	6	1	2
Total	**308**	**284**	**240**	**297**	**246**

NATURE OF APPEALS (Descending order by current-year volume)

Issue	2005	2004	2003	2002	2001
Relationship (Of one injury to another)	82	83	65	87	77
Initial Acceptance	69	61	59	72	50
Recovery/Fitness (Ability to return to work)	60	60	48	55	59
Cost relief	26	21	16	18	6
Other	16	10	8	15	24
Transportation expense	15	7	7	4	0
Estimated earning capacity	14	14	19	13	5
Wage base	8	8	3	4	5
Assessment Rates and Surcharge	7	6	4	2	6
Permanent Functional Impairment (PFI)	6	6	8	14	7
Retraining	2	4	3	10	5
Suspension	2	3	0	3	2
Dependants	1	1	0	0	0
Total	**308**	**284**	**240**	**297**	**246**

Medical Review Panels

The medical review panel is the final option available to injured workers once all other avenues of appeal have been attempted. This review is done when a worker's doctor or chiropractor disagrees with the Board's decision, based on medical grounds. After consulting with the Saskatchewan Medical Association, the chairperson for the panel is chosen by the WCB. The worker chooses the medical practitioners that sit on the panel. The decisions of this panel are binding on both the worker and the WCB.

In 2005, 11 panels were held compared with 7 in 2004, and 9 in 2003.

Appeals Activity	2005	2004	2003	2002	2001
Appeals received	11	7	9	29	15
Decisions made:					
- Appeal successful (accepted)	3	4	3	14	9
- Original decision upheld (denied)	6	3	4	14	6
Total	**9**	**7**	**7**	**28**	**15**
Pending	**2**	**0**	**2**	**1**	**0**

Nature of Appeals	2005	2004	2003	2002	2001
Relationship (Of one injury to another)	9	6	8	25	10
Recovery/Fitness (Ability to return to work)	2	0	1	2	4
PFI	0	1	0	2	1
Other	0	0	0	0	0
Total	**11**	**7**	**9**	**29**	**15**

Fair Practices Office Report

2005 was the second full year of operations for the Fair Practices Office. The Office first opened its doors in November, 2003. It was established to assist WCB clients with disputes and complaints by directing them to an information source and a resource for assistance in resolving their issues.

Saskatchewan was the third Canadian province to establish such an office. Currently Manitoba, British Columbia and Ontario have fair practices offices, similar to the one operating in Saskatchewan.

The Fair Practices Office operates much like an internal ombudsman. It listens to client concerns, provides information on how the system operates and works to sort out and investigate concerns. One of the results is an enhanced level of services provided to clients by the WCB.

Although the Fair Practices Officer is a WCB employee, the Officer reports directly to the Board Members through the Chairman. The Office will provide service to both injured workers and to employers, but of those contacting the office approximately 95% are injured workers.

The Office has two employees, a Fair Practices Officer and an Intake and Inquiry Officer.

As the Fair Practices Officer, I meet monthly with Board Members to review the Fair Practices Office's operations and to discuss any specific areas of concern that have come to my attention.

I also meet regularly with the Chief Executive Officer, the Vice-President of Operations and the Directors of both the North and South case management regions. I also hold meetings to discuss issues specific to a client case file with case managers and team leaders.

The Intake and Inquiry Officer responds to initial inquiries, listening to concerns and providing general information about the WCB. Specific information about the status of a claim can also be discussed.

While some callers who are long-term clients are very experienced in dealing with the WCB, many others are encountering their first claim and do not understand the system. The Intake and Inquiry Officer may conduct initial inquiries with WCB staff members in an attempt to resolve the client's concerns. Cases that require an in-depth review are referred to the Fair Practices Officer for a full investigation.

Over the past year we have focused efforts on building relationships between the Office and WCB employees, working to increase awareness of the role of the Office within the WCB.

The work is proving to be successful. WCB staff are increasingly comfortable with the Office and response times for Fair Practice Office requests have been reduced. There is growing recognition that our primary focus is to ensure fairness in processes and procedures, which leads to quality service for WCB customers.

We attempt to promote more effective communication between the clients and staff of the WCB and provide recommendations for improvement when needed. Poor communication can destroy effective working relationships. The loss of a good working relationship can often result in long term problems for both the injured worker and the WCB, lasting for weeks, months or even years.

While community awareness of the Fair Practices Office is increasing, there are some injured workers and employers who do not know we exist. The next editions of the WCB's *Information for Workers* brochure, and the *Information for Employers* brochure will provide information about the Fair Practices Office. Similarly, planned enhancements to the WCB website in 2006 will provide easier access and more detailed information about the Fair Practices Office.

The Fair Practices Office's role is to serve all injured workers and employers in the province. We will continue to work to enhance public awareness of the Office through a variety of communications tools and opportunities.

I am pleased to provide comparative statistics for the calendar years 2004 and 2005.

NUMBER OF COMPLAINTS RECEIVED

	2005	2004
Complaints received	384	397
Re-opened	40	20
Total	**424**	**417**

SOURCE OF COMPLAINTS

	%	
	2005	2004
Injured Workers	94.5	87.2
Employers	3.9	9.8
Other	1.6	3.0

CATEGORY OF COMPLAINT

	2005	2004
Disagree with decision	214	232
Timeliness & process delays	76	67
Information requests	58	47
Communications/service issues	31	47
FPO issues (systemic)	3	4
Other	2	0
Total	**384**	**397**

COMPLAINT RESOLUTION (CLOSED FILES)

	2005	2004
Completed by FPO without referral	233	205
Referred to WCB for detailed review	110	141
Called (WCB) for clarification	38	51
Total Closed	**381**	**397**

OUTCOME OF REFERRALS TO WCB

	2005	2004
New action taken	88	89
Decision changed	14	23
Reviewed – no change	8	29
Total	**110**	**141**

RESPONSE TIME (CLOSED FILES)

	%	
	2005	2004
0-7 days	70.6	62.0
7-30 days	18.9	19.6
Over 30 days	10.5	18.4

Fair Practices Office Case Studies

This sample of some cases from 2005 files illustrates the kinds of concerns dealt with by the WCB's Fair Practices Office and how they were resolved.

Case #18 – I need to replace my hearing aid

Issue:

A worker's claim for hearing loss was accepted many years ago. The worker wanted to know if he was entitled to further payment for hearing aids, and whether he was entitled to a Permanent Functional Impairment (PFI) award for his hearing loss.

Facts:

- Although the WCB continues to be responsible for any medical treatment for this work injury, medical reports had not been received on file for several years.
- The worker's previous PFI assessment was 2.5%, but he was told he couldn't qualify for an award.
- The policy and procedures for hearing loss PFIs state that the minimum PFI threshold rating is .25%.

Resolution:

The case manager reviewed the file and agreed that the worker was entitled to a minimum PFI award. After the case manager received updated medical information, the worker received payment for replacement of his hearing aid.

Case #26 – Justice delayed is justice denied

Issue:

A number of workers called my office with complaints that they were waiting for decisions on appeals they had filed many months ago. For the injured worker, it was a classic case of "Justice delayed is justice denied."

Facts:

- My investigation indicated that the Appeals department had received these appeals, but that there wasn't enough information on the files to make a ruling. The files were sent back to the Operations division for more information, but there was a delay in returning them to the Appeals department.
- Reasons for the delays varied, but the most common one was that there was no monitoring of the time it took to return a file to the Appeals department.
- I consulted with the Directors of Operations, who agreed that a reminder built in to the system could be beneficial.

Resolution:

The WCB's I/T department designed a system to track all files returned by the Appeals department to Operations. A report sent to the Operations directors shows files on which there has been no action for 30 days. Because I no longer receive complaints of this nature, I would say this solution has been quite successful.

Case #178 – Just a simple mistake

Issue:

An injured worker planning to file an appeal was refused a copy of his claim file.

Facts:

- The worker had completed the proper form to request his file.
- The worker had two separate claims with the WCB, and the wrong file was being looked at by WCB staff.

Resolution:

- On matching the worker's request form with the right claim file, he was promptly provided a copy of the information related to that claim.

Case #307 – Benefit of doubt

Issue:

An employer reported that a work injury had been accepted in his workplace, but he was concerned that the worker had not immediately reported the injury, that there were no witnesses, and that co-workers were not aware of the injury.

Facts:

- The claim had been accepted by the WCB on a benefit-of-doubt basis.
- I advised the employer that he could appeal the decision, and explained the steps to doing so.

Resolution:

The employer appealed the decision to the Appeals department, but was not successful. The Appeals department ruled that there was no outside cause to account for the worker's symptoms. The employer can still appeal the decision to the WCB Board Members, but has yet to do so.

Case #373 – But the Board approved it

Issue:

An injured worker complained that payment for his medication had been terminated, although a recent Board Member appeal decision had confirmed payment for his injuries.

Facts:

- A file review confirmed the Board decision several months earlier to approve payment for wage loss and medication.

Resolution:

Operations staff agreed that payment for medication should be paid, and the worker and his pharmacy were contacted to correct the error.

Murray Knoll
Fair Practices Officer

2005 – 2007 Strategic Plan

The WCB's strategic plan has four parts: a Vision / Mission Statement, a Statement of Beliefs, a Values Statement, and Strategy Statements intended to advance the organization towards a planned future.

The strategic plan is reviewed by the WCB Chairman and Board Members every year to make certain that it remains relevant. Modifications may be made to the strategic plan to integrate progress made during the past year, to manage matters in the external environment, and to make adjustments for the next three-year planning cycle.

Strategic planning is an informed process, with the WCB Chairman and Board Members gathering information from four principal sources: their external environment, operational data and reports, experience and knowledge gained from their duties as Board Members, and customer service satisfaction surveys. This source information serves as a database to the planning process, informing and clarifying discussions and decisions.

At the conclusion of the 2005 strategic planning process, the WCB Chairman and Board Members determined that their strategic plan required three revisions:

1. The language of the Strategic and Risk Management strategy statement was changed to integrate operational planning as an essential element in the WCB's planning model.
2. The Strategic and Risk Management strategy statement was further changed to require the WCB administration to identify and mitigate risks that jeopardize the implementation of the strategic plan.
3. The language of the Employee Relations strategy statement was changed to acknowledge that the WCB's continuing success results from the achievements of its employees.

Vision/Mission Statement

The Saskatchewan Workers' Compensation Board's mission and sole purpose is to serve injured workers and their employers. Our vision is to excel in the development and delivery of workers' compensation and injury prevention programs and services.

In support of our mission and vision, we will:

1. Provide the right service, at the right time, and be cost-effective in our processes.
2. Act with dignity and treat everyone with respect.
3. Conduct our business in a fair, open, honest and professional manner.
4. Bring about positive relationships with workers, employers, and others affected by the workers' compensation system.
5. Communicate our distinct identity, benefits and values.
6. Expect and recognize individual and corporate achievements and contributions to our workplace.
7. Ensure the financial integrity of the Workers' Compensation Board.

Statement of Beliefs

The Statement of Beliefs is rooted in the Meredith Principles and describes what the WCB holds to be true about Saskatchewan's compensation system, our stakeholders, and the nature of our relationships with workers, employers, and the people of Saskatchewan.

Our corporate beliefs are:

1. Injured workers and employers deserve excellent service.
2. Workers, employers and others deal with us honestly.
3. Employers care about their employees and care that their employees receive excellent service.
4. The WCB's future relies on positive relationships built on trust, understanding and cooperation in our programs and decisions.
5. WCB employees want to excel in customer service.
6. The WCB is guided by its corporate values in all of its decisions.

Values Statement

Our corporate values are the standards by which our actions and decisions are to be considered and judged by others.

1. **Dignity** – Those we serve and those we work with are treated with respect and consideration.
2. **Fair** – Those we serve and those we work with are treated equally and without prejudice or bias, and in a timely manner.
3. **Honest** – Those we serve and those we work with are treated truthfully.
4. **Open** – Our programs and services are easy to access and to understand. Our decisions and actions are clear, reasonable and open to examination.

Strategy Statements

The strategy statements are meant to be interrelated and mutually supportive. Taken together, strategy statements are meant to represent a comprehensive, preferred future for the organization.

Service – We will provide support to injured workers, their families and employers when they need it most. We will develop and promote injury prevention programs. We will return injured workers to wellness, including the return to suitable employment.

Relationships – We will continue to build relationships that serve the interests of workers and employers.

Strategic and Risk Management – We will follow a planning process that anticipates and responds to the environment, that integrates operational planning, and that results in service and management excellence and efficiency. We will follow a risk management process that identifies and mitigates risks that jeopardize the implementation of the strategic plan.

Employee Relations – We will promote pride in WCB employees and require accountability for individual and corporate achievements, and responsibility for how work is accomplished.

The 2005 – 2007 Operational Plan

The strategic plan advanced by the WCB Board Members for the 2005 to 2007 planning cycle continues to focus the organization on excellence in workers' compensation and injury prevention programs and services.

The WCB's Chief Executive Officer and his Executive (the Executive Committee) are responsible for achieving the strategic plan. This is accomplished through an operational plan, that is developed and implemented by the Executive Committee. The operational plan is fully integrated and requires cooperation and collaboration across the organization.

The WCB's strategic plan has undergone only modest revisions in recent years. Similarly, the supporting operational plan has seen only minor change. This stability has allowed the organization to remain focused and achieve its objectives.

At the conclusion of the operational planning process, the Executive Committee made these changes to the 2005 – 2007 Operational Plan:

1. A new Key Result was added to the operational plan. Titled Strategic Risk Management, the new Key Result and its supporting Operational Objective and Integrated Program operationalize risk management in the organization.
2. The Key Result titled Competent People was modified to operationalize changes to the Employee Relations strategy statement.

The WCB's 2005 – 2007 Operational Plan, and progress made towards the plan in 2005, is shown on the following pages.

Movies were introduced as the newest technology for promoting workplace injury prevention. The 1961 annual report tells us that during that year, a library of 50 safety films was shown on 417 different occasions to 14,347 people.

Key Result: Excellent Service

Objective: To achieve a customer satisfaction rating of 4.75 out of 5 as defined by the Common Measurements Tool survey methodology.

Objective Supports:

Service Strategy: We will provide support to injured workers, their families and employers, when they need it most. We will develop and promote injury prevention programs. We will return injured workers to wellness, including the return to suitable employment.

Relationship Strategy: We will continue to build relationships that serve the interests of workers and employers.

Employee Relations Strategy: We will promote pride in WCB employees and require accountability for individual and corporate achievements, and responsibility for how work is accomplished.

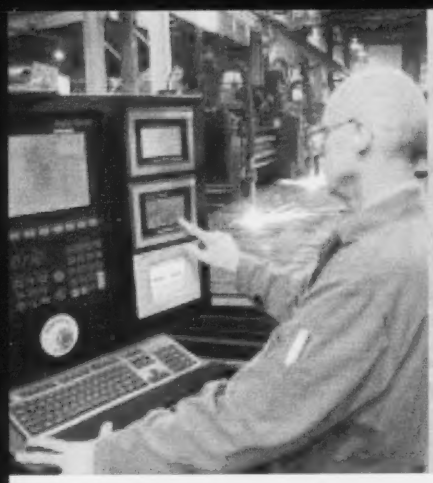
Progress in 2005:

The evaluation of the Early Intervention Program was completed, and recommendations for improvement were received.

A review of how customers access WCB services led to recommendations for service improvement. Several of the recommendations were readied for implementation in 2006.

A web-based system for requesting clearances was introduced in 2005. Continued improvements will be made to the WCB's website through 2006, to allow for a greater number of secure, web-based transactions.

An Appeals department process review was begun with an early-2006 completion date.



Key Result: Competent People

Objective: To have 90% of WCB employees demonstrate competence as measured through the performance management process.

Objective Supports:

Service Strategy: We will provide support to injured workers, their families and employers, when they need it most. We will develop and promote injury prevention programs. We will return injured workers to wellness, including the return to suitable employment.

Strategic and Risk Management Strategy: We will follow a planning process that anticipates and responds to the environment, that integrates operational planning, and that results in service and management excellence and efficiency. We will follow a risk management process that identifies and mitigates risks that jeopardize the implementation of the strategic plan.

Employee Relations Strategy: We will promote pride in WCB employees and require accountability for individual and corporate achievements, and responsibility for how work is accomplished.

Progress in 2005: The WCB introduced four human resource processes in 2005 that are central to the organization's strategic plan:

1. Processes to attract and retain a diverse and talented employee complement.
2. Leadership, management and supervisory training modules.
3. Evaluation of, and updates to, the succession planning process.
4. In support of a results-based business environment, processes are in development that will align individual business indicators with the WCB's performance management system.

1974 saw the new Workers' Compensation Act introduced, changed from The Workmen's Compensation Act to reflect contemporary times and a changing workforce.

Key Result: Financial Integrity

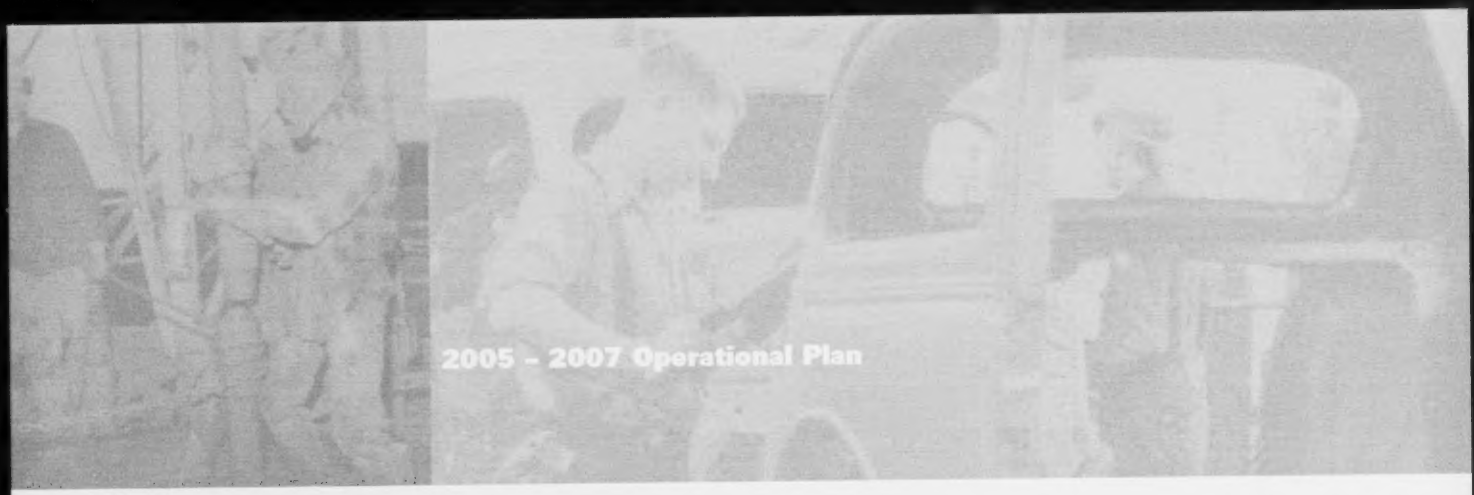
Objective: To protect benefit entitlement and maintain competitive rates, the WCB will achieve 100% funded status, as required by policy, by December 31, 2012.

Objective Supports: **Strategic and Risk Management Strategy:** We will follow a planning process that anticipates and responds to the environment, that integrates operational planning, and that results in service and management excellence and efficiency. We will follow a risk management process that identifies and mitigates risks that jeopardize the implementation of the strategic plan.

Progress in 2005: The Integrated Program for Financial Integrity is closely aligned with Key Result: Safety and Prevention, Key Result: Excellent Service, and Key Result: Strategic Risk Management, and is delivered through the Operational Objective for each of these three Key Results.

Specific actions tied to Key Result: Financial Integrity are:

1. Develop and implement a province-wide safety and prevention strategy.
2. Improve return to work and health care outcomes.
3. Develop a framework that identifies and manages control issues at the strategic level.



2005 – 2007 Operational Plan

Key Result: Effective Processes

Objective: To achieve business outcomes ensuring that applicable controls and standards are developed, implemented and monitored for key business processes.

Objective Supports:

Service Strategy: We will provide support to injured workers, their families and employers, when they need it most. We will develop and promote injury prevention programs. We will return injured workers to wellness, including the return to suitable employment.

Strategic and Risk Management Strategy: We will follow a planning process that anticipates and responds to the environment, that integrates operational planning, and that results in service and management excellence and efficiency. We will follow a risk management process that identifies and mitigates risks that jeopardize the implementation of the strategic plan.

Progress in 2005:

A review of the WCB's payment processes (Phase I – Medical Accounts) is on track for completion in 2006.

Common business plan templates were introduced in 2005, for use by WCB managers.

Policies and procedures were introduced to comply with the WCB's obligations under the provincial privacy framework and records retention requirements.

Key Result: Effective Business Relationships

Objective: To build effective business relationships that advance mutual interests as measured by defined outcomes.

Objective Supports:

Service Strategy: We will provide support to injured workers, their families and employers, when they need it most. We will develop and promote injury prevention programs. We will return injured workers to wellness, including the return to suitable employment.

Relationships Strategy: We will continue to build relationships that serve the interests of workers and employers.

Progress in 2005:

The WCB continues to develop relationships with aboriginal businesses and aboriginal leadership.

Negotiations were underway with professional medical associations to document roles, responsibilities, service guidelines, accreditation standards, quality assurance processes and fee schedules.

1960: IBM punch cards were introduced to speed up office procedures and improve productivity.

Key Result: Safety and Prevention

Objective: In cooperation with employers, workers and other partners, develop and implement a province-wide safety and injury prevention strategy that reduces the provincial injury rate to 4% by December 31, 2006.

Targets
2005 – 4.20%
2006 – 4.00%

Objective Supports: **Service Strategy:** We will provide support to injured workers, their families and employers, when they need it most. We will develop and promote injury prevention programs. We will return injured workers to wellness, including the return to suitable employment.

Relationships Strategy: We will continue to build relationships that serve the interests of workers and employers.

Progress in 2005: Worked with health care community to develop a proactive injury prevention program. The injury rate for this industry is now on a downward trend.

Continuing support and integration of ***WorkSafe Saskatchewan*** initiatives and programming, with ***Safe Saskatchewan***.

Introduced a Safe Worker recognition program, open to workers who exemplify leadership in workplace safety and injury prevention. First award presented at the 2006 Industrial Safety Seminar hosted by the Saskatchewan Safety Council.

Key Result: Strategic Risk Management

Objective: To establish an enterprise risk management process that mitigates risks that threaten the WCB's ability to successfully achieve its strategic goals and objectives.

Objective Supports: **Strategic and Risk Management Strategy:** We will follow a planning process that anticipates and responds to the environment, that integrates operational planning, and that results in service and management excellence and efficiency. We will follow a risk management process that identifies and mitigates risks that jeopardize the implementation of the strategic plan.

Progress in 2005: A corporate Risk Register was developed in 2005. It will be reviewed and updated annually, through the strategic and operational planning process.

An initiative was actioned in 2005 to incorporate the Risk Register into business operations. Starting in 2006, managers will be required to consider impact on the Risk Register as they develop their business plans.

Work began in 2005 to develop a framework that identifies and manages control issues at the strategic level. This is closely aligned to the Key Result: Financial Integrity.

In 1979, Saskatchewan became the first jurisdiction in North America to award compensation based on income replacement instead of just on physical impairment.

Strategic Choices Produce Results

A continued focus of the WCB's strategic and operational plan is injury prevention, for its lead role in reducing the costs and consequences of workplace injuries for both employers and injured workers. Other significant activities arising out of the strategic direction set out by the WCB's Board include creation of a risk management strategy that pinpoints the internal and external impediments to the success of the organization; emphasis on service delivery improvements in case management and other operational areas; and adoption of new methods for medical management.

Operational results from 2005 indicate the WCB is on course with its keys to strategic success.

Customer Service Results

- Through 2005, the WCB continued to deliver service excellence, based on feedback from employers and injured workers. Most recent market research shows a customer satisfaction rating of 4.2 out of 5 from injured workers, and 4.2 out of 5 from employers. The target rating for both groups is 4.75 out of 5, which is equivalent to a 95 per cent satisfaction rate.
- The average rate of return to work for injured workers determined to be employable after an injury remains high at an average 93 per cent.
- The WCB's MRI agreements with the province's health regions resulted in a drop in the number of workers sent out of province for this diagnostic during 2005, contributing to shorter wait times for public access to these services in Saskatchewan.
- Time loss claims durations dropped again in 2005, to an average 34.16 days from 2004's 35.35 days.
- The WCB's online services now let employers get automatic updates on the clearance status of their contractors, and allow multiple clearance requests in one transaction.
- Steps were taken to move the organization's customer contact strategy forward, with action plans for automated voice response systems being built in 2005.
- The Appeals department again broke records for reducing its backlog of appeals – from 307 at the end of 2004 to 120 at the end of 2005. Average wait time for an appeal decision was also reduced from 157 days to 77 days. This was accomplished at the same time that a new high in the number of appeals received was recorded – 1,149 appeals by year's end, up 72 from 2004.

Service and operational improvements in the 90s included a review and revamp of the WCB's methods for setting employer rates, the introduction of a new computer system to streamline claims handling, and establishment of a new unit to encourage employers to develop return-to-work programs.

Strategic Choices Produce Results

- Recommendations from the scheduled review of the WCB's Early Intervention Program (EIP) were received in 2005. The EIP is an operating framework for medical treatment of injured workers who require more than primary care. The review committee's recommendations are scheduled for release in 2006.
- Details on a corporate relationship strategy were forged during 2005, with action plans for measuring effectiveness and outcomes of relationships with stakeholders, partners and others interested in the compensation system developed for implementation in 2006.
- Three aspects of service timeliness saw significant strides in 2005:
  - Standards for returning phone calls and responding to voice mail messages in case management were achieved, so that they are no longer a primary customer concern in surveys.
  - 71% of workers on wage loss benefits receive their first cheque within 14 days of the date of the injury.
  - Workers requiring a neurosurgeon or orthopedic specialist now receive an appointment within two weeks under a WCB program to expedite those services.
- 95% of adjudication decisions pass quality assurance tests for accuracy, allowing for faster, more efficient handling of claims.

Workplace Safety and Injury Prevention Initiatives

- The WCB is closer to its strategic objective of a 4.0% injury rate by the end of 2006, closing 2005 with a provincial injury rate of 4.25%.
- The public information campaign positioning workplace injuries as a social issue continues its success. Results of a November market research study indicate 66% of respondents were familiar with the ***WorkSafe Saskatchewan*** brand; 65% attributed a positive influence from the ads on their thinking about workplace safety; and 91% supported WCB promotion of workplace safety.
- During the three years that the Top 10 Employer strategy has been in place to help heavily surcharged employers reduce their workplace injuries and accompanying compensation costs, the aggregate injury rate for this group has dropped around 24%. The WCB will be working with a second group of employers in the Priority 30 Project, with similar aims to reduce injuries in targeted workplaces.
- The WCB's Experience Rating Program continues to provide rewards to employers whose injury claims experience is better than that of their industry, and to surcharge employers whose injury claims experience is worse than their industry's. At the request of some employers, criteria changes for 2005 were put on hold pending a review by the Experience Rating Committee.
- The WCB is continuing to pursue creation of a certificate of recognition program which will set provincial standards for rewarding employers for creating their own safety management programs.

- Work continues on a pilot research project delivered through the health care sector in which the progress of a facility in reducing its injury rate through a variety of prevention interventions is measured over a period of time.
- A project to alert employers that the WCB intended to act on its legislation with fines for employers who did not report claims within five days of being made aware they occurred saw significant success. Compliance with the legislative requirement was around 58% in December, compared with 45% before the program began.
- An Executive Director of Prevention was hired to underscore the WCB's commitment to workplace injury prevention and return-to-work programs for injured workers.

Operational Highlights

Risks to the successful achievement of the organization's strategic goals and objectives have been identified through an Enterprise Risk Management Plan. Actions will be undertaken to ensure that those risks which are priorities for the organization have internal control mechanisms attached to them.

Technological change continues, as new secure reporting features are added to the WCB's website www.wcbsask.com. New for 2005 is capability for employers to request multiple clearances and to file payroll statements online.

Policies and procedures for WCB compliance with the provincial privacy framework and records retention program were adopted.

Human Resource Initiatives

Plans and processes relating to attracting and retaining a diverse and talented employee complement were introduced in 2005.

New leadership, management and supervisory training modules were adopted. Staff in key roles participated in a dynamic interactive leadership development program.

Work continued on the WCB's human resources succession management process plan.

To support a results-based business environment, the last module of the performance management system was developed and implemented.

Board Policy Decisions

New Policies Adopted January 1 2005 to Present

Doc 6.12 POL 01/2005

Funding Policy

To maintain a funded status that is consistent with the statutory requirements of the Act, the Board approved policy that outlines the maintenance of a fully funded position. The Injury Fund will contain a targeted balance equal to 15% of total expenditures to support years in which deficits occur; the Second Injury Fund will be set at 3%; the Disaster and Occupational Disease Reserve will be set at 12% of total expenditures; the Economic Stabilization Reserve will be set at 15%; and a new Market Value Adjustment will be created to capture unrealized gains as a result of reporting investment income on a market value basis. All reserves will be frozen at 2000 levels.

Doc 1.15 POL 02/2005

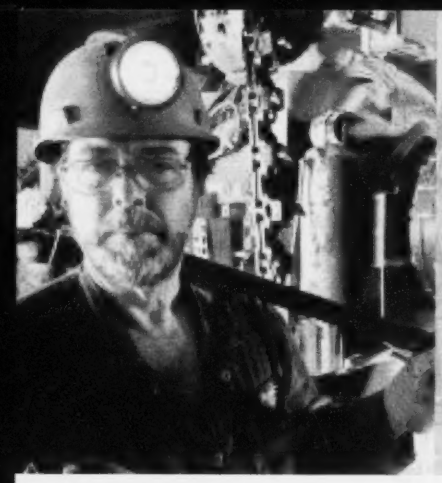
Coverage – Sports Professionals, Sports Instructors, Players and Coaches

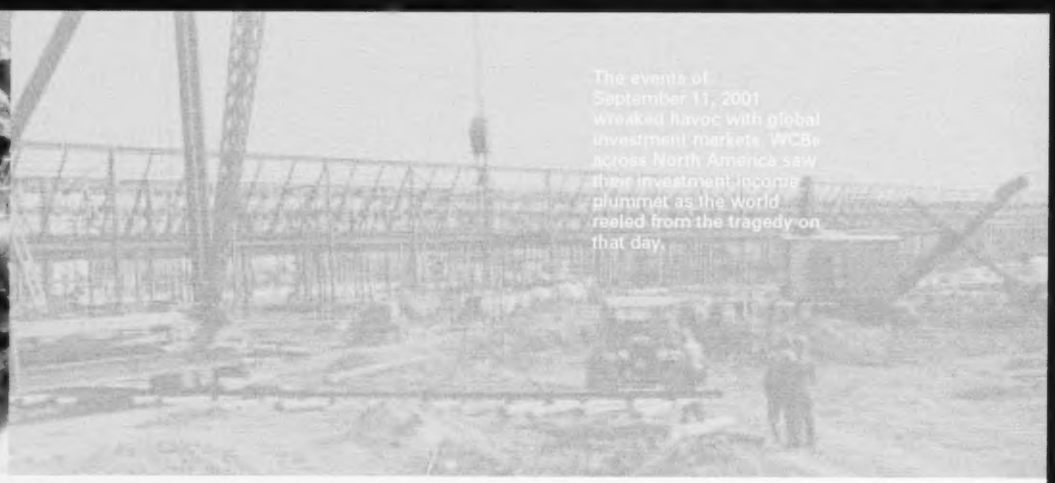
This new policy and its complementary procedure clarifies the intent of Section 3(y) of *The Workers' Compensation Act Exclusion Regulations* to exclude players, coaches and instructors of professional sports organizations. A professional sports organization is considered to be an organization established with the intent of making a profit from the playing of a sport. Organizations such as martial arts, dance studios or fitness clubs, for example, may or may not be established for the purpose of making a profit. Those non-profit organizations that primarily provide instruction (and do not profit from the playing of a sport) are not excluded, and therefore, are required to register with the WCB.

Doc 10.7 POL 03/2005

Storage, Archiving and Destruction of Information

This policy and its complementary procedure update a previous Board decision to provide a standardized process for the storage, archiving and destruction of all records collected in the course of business. Given the volume of information, documents and records maintained by the WCB in various formats, there is an increasing urgency to implement a consistent records management system in compliance with *The Workers' Compensation Act, The Archives Act* and other applicable privacy statutes.





The events of September 11, 2001 wreaked havoc with global investment markets. WCBs across North America saw their investment income plummet as the world reeled from the tragedy on that day.

Doc 4.4.4 POL 04/2005

Annuities

This updated policy and its complementary procedure establish the criteria governing application of retroactive annuity interest when compensation benefits have been retroactively adjusted. The terms for clients over the age of 65 who first become eligible for an annuity, or who are awarded an additional annuity amount and the rules for purchase or lump sum payout, are also included. In the latter case, annuity payments will not be cumulative with previous awards.

Doc 9.4 POL 05/2005

Appeals – Charter and Constitutional Issues

Based on the rulings of the Supreme Court of Canada, this entirely new policy and its complementary procedure establishes the authority of the Board to hear appeals based on the application of the Canadian Charter of Rights and Freedoms (the "Charter"). Where the constitutional validity of provisions within the Act itself is challenged, the Board will provide notice to the Attorneys General of Canada and Saskatchewan in accordance with *The Constitutional Questions Act*.

Doc 1.13 POL 07/2005

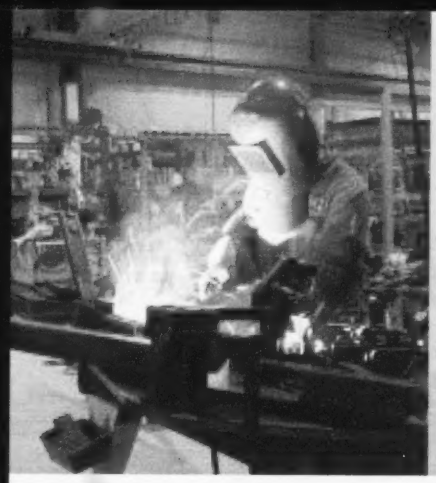
Coverage – First Responders

Subject to the conditions of this updated policy and its complementary procedure, coverage under the Act continues to be extended to first responders from the time of notification of an emergency, including travel from the individual's residence or location to the site of the emergency and return (provided there is no deviation for personal reasons). Coverage does not extend to situations where a first responder is acting as a "Good Samaritan" without the authority of a call-out from a health region. The health regions authorized to call out first responders are attached as an appendix to the policy.

Doc. 2.1.3.2 POL 08/2005

Classification of Industries – 2006 Premium Rates

Updated annually, this policy sets out the 2006 premium rates established using the WCB's rate setting model.



Board Policy Decisions

The WCB's renewed emphasis on injury prevention in the 2000s saw the provincial injury rate drop from a 20-year high of 4.95% to 4.25% at the end of 2005. Partnerships with employers, greater incentives to create workplace safety programs and a province-wide information campaign featuring a stickman in a hard hat demonstrating proper safety techniques were keys to this success story.

Doc 2.1.5 POL 01/2006

Wage Base – Maximum Assessable

Pursuant to Section 137(2) of the Act, this policy sets the maximum assessable wage rate for 2006 and subsequent years at $55,000 as specified in Section 38.1.

Doc 7.1.1 POL 02/2006

Medical Boards – Repeal

This policy repeals POL and PRO 21/94 – Medical Boards, because the current system of secondary and tertiary reviews has made these types of Medical Boards redundant. Claimants may appeal their medical status through the normal appeal process, and if not successful, reconsideration may be requested by way of a Medical Review Panel.

Doc 4.1.3.6 POL 03/2006

Compensation Rate – Maximum, 2006 – Section 38

Commencing in 1975 and annually thereafter, Section 38 of *The Workers' Compensation Act* directs the WCB to review the wages and salaries earned by workers who suffered injury and to whom compensation was paid during the period of one year immediately preceding September 30 of the year of the review. This policy sets out the maximum wage rate for any worker sustaining injury before September 1, 1985 be increased to $54,000 per annum effective January 1, 2006.

Doc 1.16 POL 04/2006

Coverage – Volunteer Fire Fighters

Prescribed by Section 3(bb) of *The Workers' Compensation Act Exclusion Regulations*, this new policy and its complementary procedure sets out the terms and conditions for coverage of volunteer fire fighters who are registered members of a municipal fire brigade. Coverage will be in effect from the time of notification of a fire and includes travel from the individual's residence or location to the site of the fire and return, provided there are no deviations for personal reasons. Coverage is also in effect while attending volunteer fire fighter training.

Doc 2.2.1.3 POL 05/2006

Experience Rating Program

Following discussions with employers, it has been determined by the Board that the parameters of the experience rating for 2006 will be held at 2005 levels. The Experience Rating Committee will reconvene in 2006 prior to any further changes to policy.

Doc 2.1.3.2 POL 06/2006

Classification of Industries – 2006 Premium Rates

This policy is updated as a result of a classification review of the mining industry. The codes D11, D12, D21, D61, D62 and D63 have been replaced with rate codes D71 (Open Pit Mining), D72 (Underground Softrock Mining) and D73 (Underground Hardrock Mining). The premium rates for the new mining industry rate codes will be retroactive to January 1, 2006.

WCB policies and procedures are public and accessible at www.wcbsask.com

SASKATCHEWAN
WORKERS'
COMPENSATION
BOARD

200 - 1881 Scarth Street
Regina, Saskatchewan
S4P 4L1

Ph: (306) 787-4370
1-800-667-7590
Fax: (306) 787-3915

Visit our website:
www.wcbsask.com